

~~CONFIDENTIAL~~

REPORT  
OF  
THE THIRD MEETING  
OF THE  
CO-ORDINATING COMMITTEE  
OF  
SOUTH-EAST ASIAN SENIOR OFFICIALS  
ON TRANSPORT AND COMMUNICATIONS

KUALA LUMPUR, MALAYSIA  
4th—5th November, 1968

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Kuala Lumpur.  
5th November, 1968.

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PART ONE  
Opening Session

The Third Meeting of the Co-ordinating Committee of Southeast Asian Senior Officials on Transport and Communications was held in Kuala Lumpur, Malaysia, on 4th and 5th November, 1968.

2. The meeting was attended by the eight member countries of the Co-ordinating Committee, namely, Brunei, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand and Republic of Vietnam.

3. As Temporary Chairman, Y.M. Raja Azam bin Raja Kamarulzaman, extended a warm welcome to all delegates and guests. He thanked the Chief Secretary to the Government of Malaysia, Y.M. Tunku Tan Sri Mohammed bin Tunku Besar Burhanuddin for having found the time to attend and address the opening session of the Committee.

4. Malaysia was honoured to have been asked to host the Third Meeting of the Committee. It was at the First Conference of Southeast Asian Officials on Transport and Communications in Kuala Lumpur in September, 1967 that Southeast Asian countries jointly took the initiative in the formulation of measures to improve co-operation and co-ordination in the development of transport and communications in the region. He stated that the Co-ordinating Committee had already achieved much in laying the groundwork for a concerted physical advance in the development of transport and communications facilities on a sound regional basis. At this particular meeting, agreements were to be signed between representatives of the Government of the United States and participating Governments to implement feasibility studies on a number of important regional projects. A second group of regional projects for feasibility study with the assistance of the US Government was also to be formulated.

5. The Southeast Asian Regional Transport Survey to be undertaken by the Asian Development Bank was a most important landmark in the efforts of the Committee. When completed, the Survey would constitute

a Master Plan into which the mutual endeavours of participating countries might be channelled towards the removal of age-long physical barriers, and towards the development of transport and communications in a manner that these extremely costly facilities generated maximum benefit for the overall economic and social development of the region, as well as the individual countries.

6. The full text of Y.M. Raja Azam's opening remarks is in Part Three of this Report.

7. Y.M. Tunku Tan Sri Mohammed bin Tunku Besar Burhanuddin extended to all delegates a very warm welcome to Malaysia and hoped that, despite the crowded schedule of the meeting, members would find time to mingle with the Malaysian people, thus strengthening even more the traditional ties of friendship which bound all of us.

8. He recalled that it was some one and a half years ago that the Hon'ble the Deputy Prime Minister of Malaysia, initiated this effort at regional cooperation in the development of transport and communications in Southeast Asia and traced the subsequent work of the Conference and Co-ordinating Committee in the deliberation and resolution of common problems in the quest for regional co-operation and development.

9. He commended this coming together of Senior Southeast Asian Officials as being, in itself, a considerable achievement. The work of the Co-ordinating Committee in charting a course for constructive co-operation and co-ordination in the vital area of transport and communications, to accelerate social and economic progress in each of the participating countries, was eloquent testimony to the potential of Southeast Asian regionalism and to the commitment of each country in this area to exploit this potential constructively. He was particularly impressed by the constructive attitude of all participants in the Committee, their preparedness for hard work and the spirit of

harmony in their proceedings. These were strengths upon which to build and which would stand them in good stead in the move to make regional development a permanent reality. He was confident that the joint efforts of participating countries would progressively multiply in strength and substance. The full text of the address of welcome of Y.M. Tunku Tan Sri Mohammed bin Tunku Besar Burhanuddin is in Part Three of this Report.

10. In response to the Address of Welcome, Mr. Soehono Soemobaskoro, the delegate of Indonesia, on behalf of the Government of Indonesia and the Governments of the countries participating in the meeting, thanked Y.M. Tunku Tan Sri Mohammed bin Tunku Besar Burhanuddin for his inspiring address and the Government of Malaysia for hosting the meeting. The traditional hospitality of the Malaysian Government and its friendly people could be felt from the moment the delegates set foot in Malaysia. He also commended the Interim Secretariat for the efficient preparation of the work and documents for the meeting.

11. He concurred with Y.M. Tunku Tan Sri Mohammed that regional co-operation in the field of transport and communications was vital for accelerating social and economic progress in the region. He, however, stressed that there need to be resources to be developed and people capable of developing them if transport was to become the catalyst to economic development. It was for this reason that co-operation in this particular field was important. What could not be done by one country had a better chance of success in co-operation among two or more countries. The full text of Mr. Soehono's response is in Part Three of this Report.

12. Dr. Sirilak Chandransu, delegate of Thailand, also expressed appreciation to the Government of Malaysia for hosting the meeting. Amidst the turmoils in the region, the city of Kuala Lumpur was a peaceful place to concentrate efforts for the future benefit of Southeast

Asia. The countries in the region were generally poor and needed foreign assistance. He thanked the Government of the United States for having come forward with financial assistance to carry out feasibility studies on a number of high priority projects. He also commended the Asian Development Bank for the keen interest it was taking in the development of this region and the assistance that it was to provide for the Regional Transport Survey. The full text of Dr. Chandrangsu's response is appended in Part Three.

13. A third response to the welcome address was made by Mr. Bui Van Le, delegate of Republic of Vietnam. He thanked the Government and people of Malaysia for the warm welcome and the hospitality extended to delegates to the meeting. The delegates were attending the meeting with a positive spirit of co-operation. This was a pre-requisite for regional development and good understanding between neighbouring countries. He hoped that this meeting would help cement mutual understanding between the countries in the region. He also expressed the hope that the US AID Study Group would be able to visit Vietnam soon and that the projects submitted by his Government would receive special consideration for inclusion in the programme of feasibility studies to be financed by the US Government during fiscal year 1969. The full text of his response is appended in Part Three of the Report.



PART TWO  
Working Sessions

## I. Procedural Arrangements

14. Three Working Sessions were held: two on 4th November and one on 5th November, 1968. Three representatives of the Government of the United States were present for Items III and VI of the Agenda on 4th and 5th November. The ADB Transport Adviser attended all sessions. A list of delegates, the representatives of the US Government, the ADB Transport Adviser and officers of the Interim Secretariat, who participated in the Third Meeting of the Coordinating Committee, is contained in Part Four.

### (a) Election of Chairman and Vice-Chairman

15. At the first session, Raja Azam bin Raja Kamarulzaman, the leader of the delegation of Malaysia was elected Chairman. Mr. Soehono Soemobaskoro, the chief delegate of Indonesia, was elected Vice-Chairman.

### (b) Adoption of Agenda and Business Arrangements

16. The Agenda and Business Arrangements adopted by the meeting are contained in Part Three.

## II. Review of Feasibility Study Project Agreements

17. The projects for which feasibility studies were to be conducted with the assistance of the Government of the United States for fiscal year (FY) 1968 were agreed upon between the Co-ordinating Committee and the US AID/Study Group at the first meeting of the former and are as follows: aero telecommunications; flight inspection; search and rescue; Kuantan/Segamat (vicinity) highway; ferry services; La Mao Marivel's port development; marine navigation aids; Marivel's ship repairs; East Malaysia port facilities; Straits of Malacca navigation aids; telecommunications network and telecommunications system. The recommendations

of the US AID Study Group having been accepted by the US Government, it was necessary that the recipient Governments concerned should now finalize and enter into formal agreement with the US Government in respect of each project.

18. The Committee noted that upon signature of the project agreements, detailed scopes of work would be prepared by US AID for contractual purposes and then reviewed with the host countries concerned and the Co-ordinating Committee. At the same time, pre-qualified lists of contractors would be prepared by AID and approved by the host countries concerned and the Co-ordinating Committee. The selection of the contractor would be undertaken by a Committee to be established by AID. The US Observer urged that member countries of the Co-ordinating Committee should involve themselves in the deliberations of this AID Committee whenever projects with which they were concerned were being considered. In most circumstances, this could be suitably effected by having appropriate officials of their Embassies in Washington attend the meetings of the AID Committee.

19. The Co-ordinating Committee stressed that in view of the need for capital assistance for these projects, it was necessary to ensure in the appointment of contractors, that the work to be performed would be of a standard acceptable to international financial agencies like the Asian Development Bank and the World Bank.

20. It was noted that the feasibility studies would provide only an initial analysis in obtaining international financing. While the requirements of individual donor countries and international financial agencies varied, in many cases, detailed engineering would also have to be undertaken before the provision of capital assistance would be favourably considered.

21. In the discussions on the individual draft project agreements, comments and amendments were made as indicated below.

Aero Telecommunications

22. It was agreed that a new paragraph should be added to the PIO/T stating as follows :-

" In order to facilitate the movement of aircraft between a point in Laos and in transiting the air space of neighboring countries the following aeronautical communication requirements should be evaluated and appropriate improvements should be recommended:

- a) Leased voice and teleprinter circuits for Air Meteorological purposes and,
- b) Remotely controlled Air Ground facilities. "

23. It was also agreed that the duration of technicians' services in each of the countries concerned should be specified in the PIO/Ts.

Flight Inspection

24. It was noted that the Royal Thai Government had asked that its facilities, resources and requirements in respect of flight inspection be taken into account in the development of the inspection plan. To give full substance to this request, it was agreed that this point should be made specifically in the description of the scope of technical services in the PIO/T.

Kuantan/Segamat (vicinity) Highway

25. The representative of Malaysia requested that the specific attention of the potential contractor should be drawn to the need to co-ordinate the work on this feasibility study with the preparation of an overall master plan for the region through which this road is to traverse. Arrangements for the preparation of this master plan are being made with a separate contractor. In the feasibility study for the highway, it could transpire that the Kuantan/Segamat route would not be the most justifiable and as such the need for an evaluation of alternative alignments and recommendations had to be stressed.

#### Ferry Services

26. At the request of the representative of Indonesia, it was agreed that the feasibility of establishing a ferry service between Dumai on the Indonesian side of the Straits of Malacca and Malacca on the Malaysian side should be included in the project.

#### La Mao Mariveles Port Development

27. It was agreed between the representatives of the Philippines and the United States that the scope of technical services should be expanded to include an estimation of the cost of improving and/or expanding the existing facilities at Mariveles.

#### Telecommunications Network

28. At the request of the representative of Laos, it was agreed that the following additional provisions should be made to the scope of technical services:

- (a) the recommendations generated from the study will take into account all the facilities existing in Laos and the needs of all the other departments and of all potential users.
- (b) the recommendations should include pre-investment engineering work in sufficient detail for application to aid-giving agencies.

#### General

29. It was agreed with respect to all project agreements that the words "security clearance" should constitute the answer to question (3) of B in all PIO/Ts.

30. It was understood that the comments of the World Bank had been sought on an informal basis in respect of all projects.

Full account had been taken of these comments in the drafting of the project agreements and the project implementation orders.

31. Subject to the amendments indicated above, agreement was reached between members of the Co-ordinating Committee concerned and the United States representative that the project agreements be signed on all projects indicated in paragraph 17 above.

III. Second List of Priority Regional  
Projects for Feasibility Studies

32. The Committee noted that the Government of the United States had agreed to provide between US \$1-2 million for the US FY 1968 for the purpose of undertaking feasibility studies of transport and communications projects in the Southeast Asian region and a further sum of between US \$2-3 million for FY 1969. The Committee noted that the US AID Study Group on Southeast Asian Transport and Communications had recommended that some of the projects submitted to the Conference of Southeast Asian Officials on Transport and Communications held in Kuala Lumpur in September, 1967, should be considered for inclusion in the programme of feasibility studies in FY 1969.

33. The Committee gave preliminary consideration to the formulation of suitable projects to absorb the aid offered by the US Government for FY 1969. The Committee agreed that in formulating such projects, account should be taken of the remaining projects presented at the Conference on Southeast Asian Officials on Transport and Communications in Kuala Lumpur in September, 1967. While it was agreed that these projects would have priority claims for commitment in FY 1969, the Committee noted that some of these projects were already being implemented with alternative sources of assistance, while others might have become of lower priority, more worthwhile projects

having emerged in the interim. It was agreed that participating countries could submit such new projects for consideration for feasibility studies in FY 1969.

34. The Committee also took note of the fact that, owing to the security situation prevailing in Republic of Vietnam at that time, the US AID Study Group could not visit that country to review the projects that had been submitted by the Vietnamese Government at the Kuala Lumpur September, 1967 Conference. It was agreed that the Vietnamese projects should be given special consideration in the programme for FY 1969.

35. The Committee noted that there was a possibility that some participating countries might wish to present, for financing under the 1969 programme, bids for technical assistance for the formulation and programming of transport and communications plans and projects which have regional implications.

36. In order to assist the work of the Co-ordinating Committee and the Interim Secretariat, as well as to present a more current picture to potential donor countries and agencies, it was agreed that participating countries should indicate to the Interim Secretariat and the US Embassies/Aid Missions in their respective countries the present status of all projects that had been submitted to the Kuala Lumpur 1967 Conference and that this should be done by mid-December 1968. For this purpose, the pro-forma drawn up by the Interim Secretariat as document IS-20 could be used.

37. It was agreed that the criteria adopted at the 1967 Kuala Lumpur Conference for project selection should continue to be used as a guide for projects to be presented for FY 1969.

If circumstances warranted it, changes to these criteria could be discussed when the Committee had received all proposals for FY 1969. With regard to FY 1968 Projects, it was noted that while certain projects appeared to be purely of a national character, they did in fact form part of a larger regional project or had substantial regional benefits or implications. The Committee agreed that such projects could also be submitted for consideration in the 1969 programme.



IV. Southeast Asian Regional Transport Survey - Report by  
Mr. K.L. Luthra, Advisor (Transportation), Asian  
Development Bank

38. Mr. K.L. Luthra outlined the actions taken by the Asian Development Bank (ADB) on the Southeast Asian Regional Transport Survey (RTS). He referred to a letter dated September 20, 1968 from the President of the Asian Development Bank to His Excellency the Minister of Foreign Affairs, Malaysia, conveying the decision of the Bank to undertake the proposed transport survey. (A copy of this letter is attached at IS-21). In reaching this decision, the Board of Directors of the Bank had considered the proposals of the management of the Bank on the framework of the survey. A Steering Committee, consisting of a number of high ranking experts in the various fields connected with the survey would be constituted soon to recommend the precise terms of reference for the survey. It was expected that the Steering Committee would have its first meeting in the second week of December, 1968. The Steering Committee would be required to take into consideration the scope outlined in the ADB Document R41-68 and the views expressed by members of the Board on this paper. The Steering Committee would also be required periodically to review the progress of the survey and its results. This would constitute a continuing source of expert technical guidance in the conduct of the survey.

39. After the precise terms of reference for the survey had been formulated, the Bank would hold consultations with selected firms of reputable consultants to arrive at reliable estimates of costs. After this the terms of reference and cost estimates would be submitted to the Board of Directors of the Bank for approval.

40. UNDP had been apprised of the progress of work in the survey and advice is awaited on the procedural steps required

to obtain UNDP commitment of financial participation in the survey. When the recommendations of the UNDP were received, they would be transmitted to the Interim Secretariat of the Co-ordinating Committee for further action by participating governments.

41. Mr. Luthra informed the Committee that the Government of the United States had reaffirmed that it would make available a sum of up to US\$1 million towards the costs of services, etc., that might be procured in the USA for the survey. The Government of Japan had also indicated that it could make available the services of experts from Japan. In addition, the Bank was exploring further assistance that might be made available by other member countries and agencies.

42. Referring to the discussions at the Second Meeting of the Co-ordinating Committee in Bangkok in May, 1968 concerning counterpart arrangements to be provided by participating governments for the execution of the survey, Mr. Luthra stated that the ADB would hold detailed discussions with the officials of the governments concerned, after the precise terms of reference for the survey had been formulated and the nature of the field organisation that would be established had been specified. At that stage, the ADB would be able to indicate also the nature and size of the contributions that participating governments would be required to make to meet local expenses of the survey.

43. The full text of Mr. Luthra's report to the Committee is attached at Part Three of this Report.

44. In the ensuing discussion the Committee noted, with appreciation, the progress that had been made by the ADB in the initiation of the RTS and reaffirmed the need to proceed expeditiously with the Survey.

45. With reference to the ADB Board Paper, attached to document IS-21, the Committee felt that a further rationale for the RTS was that the development of transportation itself would serve as a lever in stimulating economic and social development. The Committee stressed that the proposed Survey should take due account of this factor.

46. The Committee also took note of the clarification given by Mr. Luthra that the selection of the consultants to undertake the Survey would be based on the merit and competence of the firm in the field concerned.

47. With respect to counterpart facilities for the Survey, it was likely that in some cases, national organisations would need to be strengthened to support the Survey.

48. Clarification<sup>6</sup> was sought on the local expenses that would have to be met by participating Governments in respect of the UNDP contribution to the RTS. It was explained by Mr. Luthra that local expenses for the Survey could be estimated when the details of the field organisation and the field work involved in each country are assessed.

49. The Committee was advised by Mr. Luthra of the tentative time schedule contemplated by the ADB for the Survey. Attempt would be made, with the help of the Steering Committee, to get the terms of reference formulated as early as possible so that thereafter, cost estimates could be prepared and discussions held with the participating Governments regarding local expenses etc. It was hoped that the application could be sponsored for submission to UNDP for their financial participation in time for the Government Council of the UNDP to consider at its meeting in July, 1969.

50. The Committee welcomed Mr. Luthra's assurance that it would be kept fully informed of further developments on the work connected with the Survey and assured Mr. Luthra that it would, in turn, keep the Bank advised of such data and reports at national levels which are relevant to the Survey.

V. Signature of Feasibility Study Project Agreements

51. Formal agreements were entered into on the following projects between the undermentioned representatives of participating Southeast Asian Governments and a representative of the United States Government, Mr. Lee St. Lawrence.

<u>Name of Project</u>	<u>Participating Southeast Asian Governments</u>	<u>Name of Representative</u>
1. Aero Telecommunications	a) Brunei	a) Abdul Aziz Umar, Administrative Officer, State Secretariat.
	b) Indonesia	b) Soehono Soemobaskoro, Head, Bureau of Planning and Department, Department of Communications.
	c) Laos	c) Somphavan Inthavong, Director, Division of Public Roads and Bridges, Ministry of Public Works and Transport.
	d) Malaysia	d) Raja Azam b. Raja Kamarulzaman, Permanent Secretary, Ministry of Transport.
	e) Singapore	e) Wong Keng Sam, Permanent Secretary, Ministry of Communications.
	f) Thailand	f) Sirilak Chandrangu, Under Secretary of State, Ministry of Communications.
2. Flight Inspection	a) Indonesia	a) Soehono Soemobaskoro, Head, Bureau of Planning and Development, Department of Communications.
	b) Malaysia	b) Raja Azam b. Raja Kamarulzaman, Permanent Secretary, Ministry of Transport.
	c) Philippines	c) Alfredo Pio de Roda, Jr., Deputy Director - General (Investments), Pres. Econ. Staff.
	d) Singapore	d) Wong Keng Sam, Permanent Secretary, Ministry of Communications.

<u>Name of Project</u>	<u>Participating Southeast Asian Governments</u>	<u>Name of Representative</u>
3. Search and Rescue	a) Indonesia	a) Soehono Soemobaskoro, Head, Bureau of Planning & Dev. Department of Communications.
	b) Malaysia	b) Raja Azam b. Raja Kamarulzaman, Permanent Secretary, Ministry of Transport.
	c) Singapore	c) Wong Keng Sam, Permanent Secretary, Ministry of Communica- tions.
	d) Thailand	d) Sirilak Chandrangsu, Under Secretary of State, Ministry of Communica- tions.
4. Kuantan-Segamat (Vicinity) Highway	a) Malaysia	a) Raja Azam b. Raja Kamarulzaman, Permanent Secretary, Ministry of Transport.
5. Ferry Services	a) Indonesia	a) Soehono Soemobaskoro, Head, Bureau of Planning & Dev., Department of Communications.
	b) Malaysia	b) Raja Azam b. Raja Kamarulzaman, Permanent Secretary, Ministry of Transport.
6. La Mao/Mariveles Port Development	a) Philippines	a) Alfredo Pio de Roda Jr., Deputy Director-General (Investments), Presidential Economic Staff.
7. Marine Navigational Aids	a) Indonesia	a) Soehono Soemobaskoro, Head, Bureau of Planning and Development, Department of Communica- tions.
	b) Thailand	b) Sirilak Chandrangsu, Under-Secretary of State, Ministry of Communications.

<u>Name of Project</u>	<u>Participating Southeast Asian Governments</u>	<u>Name of Representative</u>
8. Mariveles Ship Repair	a) Philippines	a) Alfredo Pio de Roda, Jr., Deputy Director-General (Investments), Presidential Economic Staff.
9. Port Facilities- East Malaysia	a) Malaysia	a) Raja Azam b. Raja Kamarulzaman, Permanent Secretary, Ministry of Transport.
10. Straits of Malacca	a) Indonesia	a) Soehono Soemobaskoro, Head, Bureau of Planning & Dev., Department of Communications.
	b) Malaysia	b) Raja Azam b. Raja Kamarulzaman, Permanent Secretary, Ministry of Transport.
	c) Singapore	c) Wong Keng Sam, Permanent Secretary, Ministry of Communica- tions.
11. Telecommunications Network	a) Laos	a) Somphavan Inthavong, Director, Division of Public Roads and Bridges, Ministry of Public Works and Transportation.
	b) Thailand	b) Sirilak Chandransu, Under-Secretary of State, Ministry of Communica- tions.
12. Telecommunications System	a) Brunei	a) Abdul Aziz Umar, Administrative Officer, State Secretariat, Brunei Town.
	b) Malaysia	b) Raja Azam b. Raja Kamarulzaman, Permanent Secretary, Ministry of Transport.

VI. Date and Venue of Next Meeting

52. The Committee agreed that the next meeting, namely the Fourth Meeting of the Co-ordinating Committee, would be held in Djakarta, Indonesia, in February, 1969.

53. The Committee approved the Press Release on the Meeting attached in Part Three. It also approved this Report of the Third Meeting of the Co-ordinating Committee of Southeast Asian Senior Officials on Transport and Communications.

54. On behalf of the Committee, the delegates from Brunei, Laos and Singapore expressed their appreciation of the Government and people of Malaysia for their generous hospitality and for the efficient facilities provided during the meeting. The Chairman thanked members of the Committee and staff of the Interim Secretariat for helping him to bring the meeting to an end speedily. Statements made at the Closing Session are attached in Part Three.



PART THREE

Text of Welcome Address, Statements and Documents

- (i) Statement by Temporary Chairman,  
Raja Azam bin Raja Kamarulzaman  
at the Opening Session,  
4th November, Kuala Lumpur

Your Excellencies, Distinguished Delegates, Ladies and Gentlemen,

I am honoured to have been asked to preside at this Opening Session of the Third Meeting of the Co-ordinating Committee of Southeast Asian Senior Officials on Transport and Communications. In this capacity, may I extend a warm welcome to all our distinguished delegates and guests. May I also extend to the Chief Secretary to the Government of Malaysia, our sincere thanks for having come to grace this occasion despite the very many other calls on his time.

2. We are extremely delighted to have been asked to host this meeting. For it was here in Kuala Lumpur that the First Conference of Southeast Asian Officials on Transport and Communications was held at the beginning of September, 1967. And thus it was here also that Southeast Asian countries jointly took the initiative in the formulation of measures to improve co-operation and co-ordination in the development of transport and communications in the region.

3. True, we have not yet embarked upon a concerted physical advance in developing our transport and communications facilities on a sound regional basis. Nevertheless Southeast Asian Officials, working together in the Co-ordinating Committee, have already achieved much in laying the groundwork for such an advance. We are meeting

for the third time, after one meeting in Manila and another in Bangkok. More importantly, we can modestly but confidently claim that we have carefully and conscientiously converted many ideas into concrete plans, programmes and projects. At this meeting, agreement will be signed between representatives of the Government of the United States and ourselves to implement feasibility studies in the immediate future on a number of important regional transport and communication projects. At this meeting, too, we will be considering a second group of regional projects whose feasibility is to be studied with the assistance of the Government of the United States. These indeed are concrete steps towards the efficient development of this region.

4. For the longer-term, we have the agreement of the Asian Development Bank to carry out a comprehensive Regional Transport Survey for Southeast Asia. Though complex and time-consuming, the results of this Study will truly be a most important landmark in our efforts. When completed, it will constitute a master plan into which we will all be able to channel our mutual endeavours towards the removal of age-long physical barriers, and towards the development of transport and communications in such a way that these extremely costly facilities generate maximum benefits for the overall economic and social development of this region as well as our individual countries.

5. As a member of the Co-ordinating Committee, I know that I speak for all my colleagues when I say that we do not underestimate the magnitude of the job at hand. Indeed, the task to which we are committed to undertake is enormous. As such, Mr. Chief Secretary, your advice and encouragement, as well as that of all who wish us well will be invaluable to us. It thus gives me the greatest of pleasure to invite you to address us and to open this our third meeting.

- (ii) Welcome Address by the Chief Secretary to the Government of Malaysia, Tunku Tan Sri Mohamed bin Tunku Besar Burhanuddin at the Opening Session, 10.00 a.m.  
4th November, Kuala Lumpur

Your Excellencies, Distinguished Delegates, Ladies and Gentlemen.

It is a great privilege for me, on behalf of the Government of Malaysia, to extend a very warm welcome to the distinguished members of the Co-ordinating Committee of South-east Asian Officials on Transport and Communications. May I also express my thanks to our distinguished guests for their presence at this Opening Session.

2. To our distinguished delegates, I would like you to feel completely at home in our midst. Although you have a crowded schedule before you, I do hope you will find some time to move around among our people and thus strengthen even more the traditional ties of friendship which bind all of us.

3. It is now some one and a half years since our Hon'ble Deputy Prime Minister, acting on behalf of the Malaysian Government, initiated this effort at regional co-operation in the development of Transport and Communications in Southeast Asia. Work started with the Pre-Conference Planning Group which was organised to prepare for a major conference in this field. This was then followed by the Conference itself in Kuala Lumpur in September 1967. We have now reached the stage where the Co-ordinating Committee, established by the Conference to follow through its recommendations, is meeting for the third time, having met previously in Manila in March and Bangkok in May this year. In other words, in the space

of a little over a year, senior transport and communications officials have come together on five separate occasions to deliberate upon our common problems in the quest for regional co-operation and development.

4. Having been brought together on as many occasions as these - to talk about our common problems and interests - would have been in itself a considerable achievement. The fact is, however, that having come together, Southeast Asian officials have also begun to undertake the much more important task of charting a course for constructive co-operation in an area of development where co-ordination is so vital for accelerating social and economic progress in each of our countries. This indeed is eloquent testimony to the potential of Southeast Asian regionalism and to the commitment of each country in the area to exploit constructively this potential.

5. I have not personally been directly associated with this programme since its inception. But I understand that among its most impressive features have been the constructive attitude of all its participants; their preparedness for hard work; and the spirit of harmony which has permeated all their proceedings. These indeed are strengths upon which to build. They will stand us in good stead as we move to make regional development a permanent reality - for before we reach this point, complex problems will have to be overcome and a considerable amount of hard work undertaken.

6. Fully confident, as I am, that your joint efforts will progressively multiply in strength and substance, it

gives me the greatest of pleasure to declare open this  
Third Meeting of the Co-ordinating Committee of Southeast  
Asian Senior Officials on Transport and Communications.

(iii) Response from Mr. Soehono Soemobaskoro, Delegate of  
-----Indonesia-----

Your Excellencies, Distinguished Delegates, Ladies and  
Gentlemen.

The Third Meeting of the Coordinating Committee of  
South East Asian Senior Officials on Transport and Communica-  
tions has just been declared open by His Excellency, the Chief  
Secretary to the Malaysian Government.

Permit me Your Excellency, on behalf of the Govern-  
ment of Indonesia and on behalf of the Governments of the  
countries participating in this Meeting to extend to you our  
sincere appreciation for your most inspiring Welcome Address  
on this occasion.

Permit me also on behalf of the delegates attending  
this Meeting to extend to the Government of Malaysia our heart-  
felt thanks for hosting this Meeting.

The traditional hospitality of the Malaysian Govern-  
ment and its friendly people is felt right from the moment we  
set foot on this beautiful country making us directly feel at  
home.

In addition, the Interim Secretariat has gone to  
great lengths and efforts to assure us that the deliberations  
will be most productive within the limited time available.  
All the preparatory works and documents have been efficiently  
prepared.

With these two sets of conditions we have every  
reason to believe that the meeting will be successful.



You have rightly pointed out that we have started and are pursuing together a course of constructive cooperation in an area of development where regional cooperation is so vital for accelerating social and economic progress in the region. This area, in our particular case, is transport and communications.

Transport and communications by itself is not capable of promoting economic growth. It is only where there are resources to be developed and people capable of developing them that transport might become the catalyst to economic development.

It is for this reason that co-operation in this particular field is so important. What cannot be done by one country might have a better chance of success by regional co-operation among more countries.

I thank you Mr. Chairman.

(iv) Response from Dr. Sirilak Chandrangsu, Delegate of  
-----Thailand-----

Once again I have the honour and opportunity to be here in the magnificent city of Kuala Lumpur for the 3rd Session of the Co-ordinating Committee of South East Asian Senior Officials on Transport and Communications. This has been made possible under the auspices of the Government of Malaysia.

There are many developing countries in this part of the world. Many of us are living in turmoils, but amid those turmoils we can at least find a peaceful place to sit together concentrating our efforts to the future benefit of Southeast Asia and that place happens to be Kula Lumpur this time.

Generally we in this region are not very well to do and are in need of foreign aid to help us in developing our countries. I would like to mention that this has been through the kindness of the Government of the USA that aid have been given to us to carry out many regional projects which we shall be committing ourselves for the benefit of the region.

Also I could not omit mentioning that the ADB has taken so keen interest in the development of our region from the beginning that aid will be forthcoming to us for the regional transport survey.

For this reason, on behalf of my Government and of all the delegates attending this meeting I would like to second and join the delegate from Indonesia in expressing my sincere appreciation to the Government of Malaysia, the ADB and USOM, the mission from the USA who is our friend in need.

I would like also to thank all the senior transport officials of Malaysia for hosting this meeting and thank them all in advance for their help in the successful deliberations of the meeting.

Thank you.

(v)            Response from Mr. Bui Van Le,  
                 Delegate of South Vietnam

Mr. Chairman, Your Excellencies, Distinguished Delegates, Ladies and Gentlemen,

On behalf of the Delegation of the Republic of Vietnam, at this 3rd Meeting of the Co-ordinating Committee of Southeast Asian Officials on Transport and Communications, we should like to express our deep appreciation to the Government and the people of Malaysia for the warm welcome and the hospitality extended to us in the wonderful Kuala Lumpur city.

As it was twice before, we are attending this meeting with the positive spirit of cooperation of all Southeast Asian countries in the field of Transport and Communications, a prerequisite for national development and good understanding between neighbouring countries. More than ever, Vietnam is conscious of the importance of an efficient transport and communications system. Most of you, distinguished delegates, are acquainted with the inhuman communist ravages we have been suffering and that, we believe this meeting will cement our mutual understanding since we are in the same invaded situation.

We note that the Co-ordinating Committee deplores with our full agreement, that US AID Study Group could not visit Vietnam at the scheduled time. But we are waiting for their arrival since the 2nd meeting at Bangkok last May.

We hope that responsible authority will give to our projects special consideration as soon as possible during this Fiscal year 1969.

With the firm belief in the glamorous success of the Meeting, once more, may we repeat our sincere thanks to the Government of Malaysia for the warm welcome and all facilities extended to us and that unforgettable gesture will be reported to our Government.

Thank you.

(vi) Statement by the Chairman on his  
Election to the Chair

Distinguished delegates:

As a host delegate may I take this opportunity to concur and reaffirm the sentiment of words of welcome extended by the Chief Secretary of the Prime Minister's Department of Malaysia, to all distinguished delegates this morning. It is indeed a personal pleasure for me to meet once again old colleagues and to develop friendship with new ones. I do sincerely hope that distinguished delegates will have a pleasant stay in Kuala Lumpur, that you will find time to relax apart from the serious deliberations of this meeting, and if any assistance<sup>is</sup> required please do not hesitate to ask and I shall do my best to offer every possible help.

I am most honoured to be elected as Chairman of this meeting: as one who has been associated from the beginning I must say quite frankly that I feel spiritually involved in this meeting of the Southeast Asian Senior Officials on Transport and Communications. I wish to sincerely thank distinguished delegates for the confidence placed on me in electing me as the Chairman of this meeting. I shall do my best to bring this meeting to a successful conclusion.

As I feel it, all the hard work we have put in and exerted in the last two years or so, in this regional venture in the field of transport and communications, is now beginning to bear fruit and we are making substantial progress in our collective efforts to develop transportation and communications in our respective countries which in turn serve the interests of the region. There is no doubt that transport and communications constitutes one of the vital elements in economic development. In this Third Meeting, we will have the satisfaction of signing the agreement on feasibility studies with the generous aid from the United States Government.

Though this is a land mark in the tangible progress of our work I would say this is only the beginning. Many challenging tasks lie ahead of us. After the feasibility studies, the actual design and construction will have to take place and financial sources will have to be sought from various quarters. Furthermore, apart from the present projects, we are studying and considering the submission of other additional projects.

I have no doubt that I am speaking on behalf of distinguished delegates that we all hope this meeting will come to a fruitful and successful conclusion and with your cooperation, I hope that this meeting will further strengthen our solidarity and increase our determination to work for the betterment of transportation and communications in our region. It has been said often enough that one of the fundamental requirements of such a joint action is the spirit of goodwill, trust and understanding among members. In this regard therefore, distinguished delegates, as Chairman of this meeting I wish to appeal to all distinguished delegates to concentrate and to centralise our whole discussions and deliberations purely to the problems of transportation and communications. No irrelevant issue, more so controversial issue, should be brought up in this meeting. With your cooperation I am confident we are travelling towards the right direction of achieving our common purpose and goal which is to improve transportation and communications in this region.

Thank you.

(vii) Statement by Mr. K. L. Luthra, Advisor (Transportation),  
Asian Development Bank

Mr. Chairman:

I am grateful to you for having called upon me to make a brief statement before this distinguished gathering.

2. As you and other members of the Committee are already aware, the Board of Directors of the Asian Development Bank recently took a decision that the Bank would undertake a transport survey of the Southeast Asia. The President of the Bank sent a letter to His Excellency, the Minister for Foreign Affairs of Malaysia on September 20, 1968 informing him of this decision of the Board and requesting him to advise the participating Governments accordingly.

3. At the second meeting of this Committee held in Bangkok on May 15 and 16, 1968, our Vice President, Mr. C.S. Krishna Moorthi had explained the proposals which had been evolved by the Bank staff in regard to the framework of the proposed Survey. As was explained by the Vice President at that meeting, we were desirous of getting as many aid-giving institutions as possible, interested in the Survey, since, ultimately, after the Survey was completed, the financial investment opportunities arising therefrom might have to be processed with different lending institutions (including of course, the Asian Development Bank). We, therefore, apprised the members of our Board of Directors representing aid-giving countries to consult their aid-giving authorities on the framework proposed for the Survey. Thereafter, the Board of Directors met to formulate their decision. All this naturally took quite a few months.

4. The Board of Directors while agreeing that in response to the request by the Southeast Asian countries, the Bank should undertake a regional transport survey, could not take a final view on the framework or scope of the Survey. Some of the members

of the Board made certain observations on the individual components of the framework we had proposed for the Survey. The Board decided that the Bank should proceed immediately to constitute a Steering Committee of top-ranking experts which should recommend the precise terms of reference of the Survey after careful consideration of the framework evolved by us, and of the views expressed thereon at the Board meetings.

5. The Bank is now proceeding to constitute the Steering Committee. The Committee will comprise of experts of the highest caliber such as could be available to serve on it, including senior transportation economists and general economists with intimate knowledge of problems of developing countries in this part of the world, an international trade expert, an industrial economist and two or three technical experts. The Committee would draw upon expertise both from within the region and outside.

6. The Steering Committee would not merely recommend the framework and terms of reference of the Survey but would thereafter periodically review the progress of the Survey and finally assess the results thereon. The Committee would be the continuing source of expert technical guidance in conducting the Survey. The Committee is scheduled to have its first meeting in the second week of December, 1968 and is expected thereafter to meet after every three to four months depending upon the progress of the Survey.

7. After the precise terms of reference of the Survey have been formulated with the help of the Committee, we propose to have consultations with selected consultant firms to arrive at a fairly reliable estimate of the cost of the Survey. With the precise terms of reference and with the detailed estimate of cost to be worked out thus, we would go back to the Board of Directors for approval.



8. We have, meanwhile, written to the UNDP informing them of the present stage of work and seeking their advice as to whether they could give us an intimation of what order of contribution the UNDP could make to the Survey and also on the procedural steps considered necessary to obtain their commitment on their financial participation in the Survey. As soon as we hear from the UNDP, we shall get in touch with the Secretariat of your Committee so that the Governments of the participating countries could take further action in terms of the advice given by UNDP.

9. It will be of interest to you in this context that the Government of the United States has reaffirmed to us that up to \$1 million would be made available by it towards the cost of services, etc. that may be procured in the USA for the purpose of the Survey. The Government of Japan has also indicated that it could make available to us the services of experts that we may need from Japan which could be financed within certain financial provisions specified by that country. The Bank will continue discussions on the utilization of assistance or expertise that could be made available by member countries for the Survey.

10. In the meeting of the Committee in Bangkok in May last, we discussed briefly counterpart arrangements that would need to be provided by the participating Governments to assist the field organizations of the Bank engaged in the Survey. It was agreed during this meeting that where there were local agencies responsible for national transport planning, it would be desirable that the same agencies would be used also for the Regional Transport Survey. In a number of cases, some strengthening of national organizations might be necessary particularly if they were to support both the national and regional surveys. We propose to have detailed discussions with the officials of the

Governments concerned, once the precise terms of reference have been formulated and we have had consultations with the consulting firms about the field organizations needed for the Survey, etc. At that stage, we should also be able to have some idea of the contributions the participating Governments would have to be invited to make towards local expenses of the Survey.

11. In conclusion, I would like to reiterate that we are anxious to maintain continued and close consultations with the Coordinating Committee and would keep the Secretariat of the Committee informed of the progress of the work on the Survey. We trust that the participating Governments likewise, either directly or through the Coordinating Committee would keep us posted with any materials or reports of studies at national levels which may be relevant to the purpose of the Regional Transport Survey.

12. May I, Mr. Chairman, thank you once again and also, through you, the Secretariat of the Coordinating Committee for the opportunity given to me of meeting the members of the Committee.

(viii) Statement by Mr. ABDUL AZIZ UMAR, Delegate of Brunei,  
At the Closing Session

Mr. Chairman, Distinguished Delegates,

On behalf of my colleagues at this meeting and on my own behalf I wish to thank you, and through you the Government and the people of Malaysia for the excellent facilities and hospitalities extended to us during our short stay at this fast growing beautiful Ibu Negara of Malaysia. The last two days witnessed one of the most important landmarks of the work of this Committee, and this was climaxed by the Projects-Agreement-signing only a few moments ago. You will agree with me, Sir, this is a practical victory for us all - but such a victory would have not been possible had it not been for the efficiency in which you have conducted the meeting. The high standard of minimum formality and maximum atmosphere of friendliness have been maintained - which again have contributed towards the success of this action-oriented meeting.

To the Interim Secretariat, particularly Enche Robless and his staff and others who were working behind the scene, I wish to put in record our highest appreciation. The volumes of high standard working papers, the transport and hotel arrangements and others have all been personally attended to by the officers concerned. All this, Mr. Chairman, will no doubt further improve or strengthen as the case may be, our long standing traditional and cultural ties.

Last but certainly not least to the representative of ADB and our American colleagues we wish to express our thanks and appreciation for all the services and assistance extended.

With these remarks, Mr. Chairman, once again I formally propose a Vote of Thanks.

Thank you, Mr. Chairman.

(ix) Statement by the Chairman at the Closing Session

Distinguished Delegates, Ladies and Gentlemen,

We are now about to conclude our Third Meeting. But before I do so, permit me to say a few words.

First of all, I am happy to note that throughout all working sessions, distinguished delegates conducted themselves in the true spirit of co-operation. This augurs well for the continuing success of regional co-operation among the Southeast Asian countries. On behalf of the Government of Malaysia, I wish to record my deep gratitude to all our honoured guests. Your active participation has helped to make the Third Meeting of the Co-ordinating Committee a real success. I sincerely hope, therefore, that you will return to your homelands with happy memories of our country.

The valuable contributions made by the representatives of the US Government and by Mr. Luthra, the ADB Transport Adviser, to this meeting are also noteworthy. I must say that their participation has contributed immensely to the success of this meeting. To them, may I express on your behalf, our most sincere thanks.

Finally, I wish to record my deep appreciation, on behalf of all delegates, to the staff members of the Interim Secretariat for their work before and during this meeting.

Distinguished delegates, ladies and gentlemen, I now declare this Third Meeting of the Co-ordinating Committee of Southeast Asian Officials on Transport and Communications duly closed. I wish you all good fortune and a safe journey home.

(x) PRESS RELEASE

The Third Meeting of the Co-ordinating Committee of Southeast Asian Senior Officials on Transport and Communications was convened on 4th and 5th November, 1968, in Kuala Lumpur, Malaysia. The Meeting was attended by representatives of the eight member countries of the Committee, namely, Brunei, Indonesia, Laos, Malaysia, the Republic of Philippines, the Republic of Singapore, Thailand and the Republic of Vietnam. Representatives of the US Government and the Asian Development Bank were also in attendance at the meeting.

2. The Meeting was declared open by Y.M. Tan Sri Tunku Mohamed bin Tunku Besar Burhanuddin, the Chief Secretary to the Government of Malaysia. Y.M. Raja Azam bin Raja Kamarulzaman, the chief delegate of Malaysia, and Mr. Soehono Soemobaskoro, delegate of Indonesia were elected Chairman and Vice-Chairman, respectively, of the Meeting.

3. At the Meeting, Feasibility Study Agreements on 12 regional transport and communications projects were signed between representatives of participating Governments and a representative of the Government of the United States, as shown below:-

- i) A regional aero telecommunications project covering Indonesia, Singapore, Thailand, Laos, Malaysia and Brunei to survey the requirements for the development and improvement of voice telecommunications between point to point and mobile services. The survey will determine and recommend the most economical, efficient and effective means to improve and develop aero telecommunications systems for the countries involved.

- ii) A survey to determine aero-nautical flight inspection resources and the future requirements in Indonesia, Malaysia, Philippines and Singapore, in order to evolve a flight development plan covering these countries.
- iii) A feasibility study on search and rescue requirements in order to provide the countries of Indonesia, Malaysia, Singapore and Thailand with a plan for the development of search and rescue capabilities complying with international requirements for both aviation and marine needs.
- iv) A feasibility study of the proposed extension of the highway to connect Kuantan, Malaysia, with the vicinity of Segamat, including the up-grading of existing links as well as new construction.
- v) A survey of the present and potential water traffic between Medan in Northeast Sumatra and Port Swettenham and Penang/Butterworth in West Malaysia and between Dumai in East Sumatra and Malacca in West Malaysia, to determine the feasibility of a ferry service between these points.
- vi) A survey of port facilities in connection with the proposed establishment of an Export Processing Zone at La Mao and to make recommendations for the development of port facilities at La Mao or at Mariveles, Philippines.
- vii) A survey of the needs for aids for marine navigation in the Gulf of Thailand and the coastal waters of Indonesia, including recommendations for the construction of light houses, radio beacons, radio direction finders and channel markers and their location.

- viii) A survey for ship repair facilities at the Mariveles Ship Yard, Philippines, to determine adequacy of these facilities in relation to present and anticipated requirements and to make recommendations for their expansion, including methods of implementation and amortization of costs.
- ix) Site investigations and preliminary design work for the ports of Kota Kinabalu and Sandakan in East Malaysia.
- x) A survey of aids to navigation in the Straits of Malacca and Singapore to determine the adequacy of these facilities in relation to present and anticipated traffic and to make recommendations to the Governments of Indonesia, Malaysia and Singapore for improvements.
- xi) An analysis for the preparation of a "back-bone" telecommunications system linking major cities in Laos with Thailand.
- xii) A survey to determine the feasibility of a "back-bone" telecommunications system linking the cities of Kota Kinabalu and Kuching with Brunei.

4. The Committee was briefed by an official of the Asian Development Bank on the progress made in the formulation of the proposed Southeast Asian Regional Transport Survey first mooted at the Kuala Lumpur Conference in September, 1967. The Asian Development Bank has taken a decision to undertake the Survey. The terms of reference and scope of work of the Survey are expected to be finalised and the necessary financial support for it enlisted early next year. The Committee placed

great reliance on the Survey as a means to facilitate continuing co-ordination and co-operation among participating countries.

5. The Meeting also considered feasibility studies on regional transport and communications projects to be undertaken with the generous assistance of the Government of the United States in U.S. fiscal year 1969. It agreed to finalise this second list of projects, substantially larger than the present list, at its next meeting.

6. The members of the Co-ordinating Committee expressed their appreciation to the Government and people of Malaysia for their generous hospitality and the facilities provided in Kuala Lumpur for a successful meeting.

7. The Committee accepted the invitation of the Government of Indonesia to hold its Fourth Meeting in Jakarta in February, 1969.

Kuala Lumpur.

5th November, 1968.



(xi) THIRD MEETING OF THE CO-ORDINATING COMMITTEE  
OF SOUTHEAST ASIAN SENIOR OFFICIALS ON  
TRANSPORT AND COMMUNICATIONS

4th - 5th November, 1968  
 Kuala Lumpur, Malaysia

Agenda

Monday, 4th November, 1968

- |               |  |
|---------------|--|
| 10.00 - 10.30 | I. Welcome Address and Responses   |
| 10.30 - 11.00 | R E C E S S  |
| 11.00 - 11.15 | II. Procedural Arrangements  |
|               | (a) Election of Chairman and Vice-Chairman   |
|               | (b) Adoption of Agenda and Business Arrangements   |
| 11.15 - 12.15 | III. Review of Feasibility Study Project Agreements  |
| 12.30 - 14.30 | L U N C H  |
| 15.00 - 17.00 | IV. Submission and Discussion of Second List of Priority Regional Projects for Feasibility Studies.        |
|               | V. Report by ADB Official on the Southeast Asian Regional Transport Survey; discussion of related matters. |

Tuesday, 5th November, 1968

- |               |   |
|---------------|---|
| 9.00 - 12.15  | F R E E   |
| 12.30 - 14.30 | L U N C H   |
| 15.00 - 16.00 | VI. Completion of Review and Signature of Feasibility Study Project Agreements. |
| 16.00 - 16.45 | VII. Confirmation of Record of Meeting  |
|               | VIII. Date and Venue of Next Meeting.   |
| 17.00 - 18.00 | FAREWELL TEA  |

(xii) THIRD MEETING OF THE CO-ORDINATING COMMITTEE  
OF SOUTHEAST ASIAN SENIOR OFFICIALS ON  
TRANSPORT AND COMMUNICATIONS

4th - 5th November, 1968  
Kuala Lumpur, Malaysia

Notes on Agenda

Item I. Welcome Address and Responses

The Temporary Chairman, Raja Azam bin Raja Kamarulzaman, will call the meeting to order and make an introductory statement. Then, he will call upon the Chief Secretary to the Government of Malaysia, Tunku Tan Sri Mohamed bin Tunku Besar Burhanuddin to deliver his Welcoming Address. Responses will be made by two members of the Co-ordinating Committee. Morning tea follows.

Item II. Election of Chairman and Vice-Chairman and Adoption of  
Agenda and Business Arrangements

- (a) The Chairman and Vice-Chairman will be elected by the Co-ordinating Committee and will be advised by the Secretary of the Interim Secretariat.
- (b) The Agenda is in Interim Secretariat Working Paper No. IS-16. The following Business Arrangements are suggested by the Interim Secretariat:-

(i) Times of Meeting

1st day: 10.00 a.m. to 12.15 p.m. and  
3.00 p.m. to 5.00 p.m.

2nd day: 9.00 a.m. to 12.15 p.m. and  
3.00 p.m. to 4.45 p.m.

(ii) Language

English will be the working language.

(iii) Sessions

Except for the Opening Session all sessions

of the meeting of the Co-ordinating Committee will be closed to the Press and the Public.

(iv) Record of Meeting

The Interim Secretariat will prepare a record of the meeting for approval of members at the close of the meeting.

(v) Press Release

With the approval of the Co-ordinating Committee, a press release will be issued at the close of the meeting.

Item III. Review of Feasibility Study Project Agreements

This item on the agenda provides an opportunity for members to review, if necessary, provisions in the project agreements before such agreements are signed. The Interim Secretariat has invited representatives of the United States Government to assist the Co-ordinating Committee to clear the agreements.

A check-list of agreements to be cleared is shown in Interim Secretariat Working Paper No. IS-18. It is suggested that the agreements be cleared on a project by project basis in the order shown in IS-18.

The signing of the agreements will take place under item VI. Time is being provided between the review and the signing of the agreements to enable amendments, etc. to be incorporated in the final documents.

Interim Secretariat Working Paper No. IS-19 outlines the actions that will be taken after the signature of the agreements.

IV. Second List of Priority Regional Projects for Feasibility Studies

Of the 90 transport and communication projects presented for discussion at the Conference of Southeast Asian Senior Officials on Transport and Communications held in Kuala Lumpur in September

1967, 36 were stated to require feasibility studies as follows:-

	<u>Total</u>	<u>No. Requiring F.S.</u>
i) Land transport	24	18
ii) Civil air transport	22	7
iii) Ports and water transport	22	7
iv) Communications	<u>22</u>	<u>4</u>
	<u>90</u>	<u>36</u>

Agreements will be signed to carry out feasibility studies on twelve projects. It will be useful if information could be given on the status of the remaining projects.

Members have been requested to bring along to this meeting a list of new regional projects needing feasibility studies, which can be submitted to the United States Government for consideration for assistance under its programme for fiscal year ending June 1969.

In discussing the second-round of projects requiring feasibility studies, the Committee may also wish to consider affirmation or otherwise of the criteria for identification which were agreed upon at the September 1967 Conference of Officials.

Interim Secretariat Working Paper No. 20 has been prepared as a background paper for this item on the Agenda.

V. Southeast Asian Regional Transport Survey

Members will recall that the Malaysian Government, on behalf of the Southeast Asian Governments participating in the September 1967 Kuala Lumpur Conference, requested the Asian Development Bank to undertake and administer a comprehensive Regional Transport Survey aimed at facilitating co-ordination and co-operation in this field on a continuing basis and assisting and communications in the region.

The ADB has agreed to undertake and administer such a survey. The ADB decision is contained in Interim Secretariat Working Paper No. IS-21.

Mr. K.L. Luthra, the ADB transportation adviser, will report to the Co-ordinating Committee about the Survey and endeavour to reply to classifications which may be sought by individual delegates.

VI. Completion of Review and Signature of Agreements

Each Project Agreement (PROAG) will be signed by the representative of the recipient country concerned and a representative of the US Government. Each Project Implementation Order/Technical Services (PIO/T) will be initialled by both the above parties as well as the Interim Secretariat on behalf of the Co-ordinating Committee.

VII. Record of Meeting

The Interim Secretariat will prepare a record of the meeting for the approval of the Committee.

Interim Secretariat to the Co-ordinating Committee,  
Economic Planning Unit,  
Prime Minister's Department,  
Government of Malaysia,  
Kuala Lumpur.

2nd September, 1968.

(xv)

THIRD MEETING OF THE CO-ORDINATING COMMITTEE  
OF SOUTHEAST ASIAN SENIOR OFFICIALS ON  
TRANSPORT AND COMMUNICATIONS

4th - 5th November, 1968  
Kuala Lumpur, Malaysia

Check List of Agreements for Feasibility  
Studies

(Working Paper Prepared by Interim Secretariat)

1. Aero Telecommunications

Brunei  
Indonesia  
Laos  
Malaysia  
Singapore  
Thailand

2. Flight Inspection

Indonesia  
Malaysia  
Philippines  
Singapore

3. Search and Rescue

Indonesia  
Malaysia  
Singapore  
Thailand

4. Kuantan-Segamat (vicinity) Highway

Malaysia

5. Ferry Services

Indonesia  
Malaysia

6. La Mao/Marivelas Port Development

Philippines

7. Marine Navigational Aids

Indonesia  
Thailand

8. Marivelas Ship Repair

Philippines

9. Port Facilities -- East Malaysia

Malaysia

10. Straits of Malacca

Indonesia  
Malaysia  
Singapore

11. Telecommunications Network

Laos  
Thailand

12. Telecommunications System

Brunei  
Malaysia

Interim Secretariat to the Co-ordinating Committee,  
Economic Planning Unit,  
Prime Minister's Department,  
Government of Malaysia,  
Kuala Lumpur.

1st November, 1968.

(xiv)

THIRD MEETING OF THE CO-ORDINATING COMMITTEE  
OF SOUTHEAST ASIAN SENIOR OFFICIALS ON  
TRANSPORT AND COMMUNICATIONS

4th - 5th November, 1968  
Kuala Lumpur, Malaysia

Actions following Signature of Agreements on  
Feasibility Studies

(Working Paper Prepared by Interim Secretariat)

Once signed, a set of each of the project agreements will be forwarded to the Agency for International Development, Washington (AID/W) for follow-up action.

2. On receipt of the signed originals, AID/W will advertise in the United States Department of Commerce's Business Daily, and concurrently will prepare detailed Scopes of Work for contractual purposes. The detailed Scopes would be sent to the field during the 30 day advertisement period for review by the host countries concerned and by the Co-ordinating Committee.

3. Based on responses to Business Daily's advertisements, AID/W will make up a pre-qualified list of contractors for the host countries' and Co-ordinating Committee's approval. Once the pre-qualified list is firm, and approved, AID/W will transmit the detailed Scopes and other pertinent information to the qualified contractors and solicit proposals. AID/W will then form a Committee to review and evaluate the proposals and select the qualified contractors. Host countries and the Co-ordinating Committee are welcome to send representatives, at their own expense, to the United States to participate in the Committee's review and selection. As soon as the contractors are selected, AID/W will notify the Missions and the host countries concerned and then proceed to conclude the contracts.



4. The supervision and inspection of progress of work to ensure that the contractor is complying with the scope of work and contract provisions will be the technical responsibility of the American Embassy, the US Regional Development Office (RED), Bangkok, or the appropriate US Mission as may be designated.

5. Preliminary and final reports submitted by the contractors will be reviewed in the field by the RED Office or US Mission in the country concerned (as designated) in concert with the host country and the Co-ordinating Committee. The final reports will be reviewed by AID/W before final acceptance.

Interim Secretariat to the Co-ordinating Committee,  
Economic Planning Unit,  
Prime Minister's Department,  
Government of Malaysia,  
KUALA LUMPUR.

2nd November, 1968.

(xv)

THIRD MEETING OF THE CO-ORDINATING COMMITTEE  
OF SOUTHEAST ASIAN SENIOR OFFICIALS ON  
TRANSPORT AND COMMUNICATION

4th - 5th November, 1968  
Kuala Lumpur, Malaysia

Preparation of a Second List of  
High Priority Regional Projects for Feasibility  
Studies

(Working Paper prepared by Interim Secretariat)

At the Conference of Southeast Asian Officials in September 1967, the US observer indicated that to carry out feasibility studies on high priority projects immediately, the US Government was prepared to make available, assistance amounting to between US\$2 - 3 million for fiscal year 1969. The Co-ordinating Committee may wish to consider the projects which should be presented to the US Government for financing with the aid of the above sums.

2. The Report of the US AID Study Group on Southeast Asian Transport and Communications recommended some projects for further consideration in FY 1969. With the agreement of the member countries concerned and the Co-ordinating Committee, these could be considered as the first list of projects for financing in FY 1969. However, further projects would need to be elicited so as to take up fully the US offer for FY 1969.

3. In this connection, the Co-ordinating Committee will recall that the US AID Study Group indicated that no projects were provided for South Vietnam for FY 1968. This was because projects from this country were not examined in the field on the visit of the US Study Team to Southeast Asian countries, as at the request of the South Vietnam Government the visit to Saigon was postponed because of the security problems existing at the time the team was scheduled to arrive. In cognizance of this, the Co-ordinating Committee at its Second Meeting agreed that the US Study Team should visit Vietnam as soon as practicable and agreed that in respect to the offers of the US Government for fiscal year 1969, special consideration be given to the requests from Vietnam.

4. In considering the second tranche of projects for feasibility study, the Co-ordinating Committee may also wish to review the criteria for selection of projects. It will be recalled that the recommendations

will be considered as regional so long as it affects two or more countries. Accordingly, road, rail and telecommunications locations between two or more countries will qualify as regional projects as will all international port, airport and civil aviation projects. In addition each project should :

- i) be economically justifiable and technically feasible;
- ii) be within the capacity of the country in which it will be located to administer; and
- iii) be suitable for external financing.

5. In the discussions on this item of the Agenda, the Co-ordinating Committee may wish to take into account any views which representatives of the US Government might have in the light of their experience with the first tranche of projects.

6. To facilitate the Committee's deliberations, the list of all projects presented to the Conference of Southeast Asian Officials is attached at Appendices I - IV.

#### Recommendations

7. The Co-ordinating Committee is requested :-

- (a) to indicate the present status of all projects requiring feasibility studies as presented to the Conference of Southeast Asian officials;
- (b) to indicate in a preliminary fashion, the nature of the projects to be presented to the US Government for financing in FY 1969 and to agree on the date-line for presentation of these projects to the Interim Secretariat and the US Government; and,
- (c) to review the criteria for project selection as agreed at the Conference of Southeast Asian Officials.

Interim Secretariat to the Co-ordinating  
Committee,  
Economic Planning Unit,  
Prime Minister's Department,  
Kuala Lumpur.

3rd November, 1968.

REGIONAL LAND TRANSPORT PROGRAMME

Country	Name of Project	Status of Project as at Sept. 1967	Present Status (as at Nov. 1968)
BRUNEI	Kuala Belait-Miri Route	Pre-investment study required	
	Brunei Town-Limbang-Bangar-Labu Trusan Route	" " "	
	Labi-Marudi Route	" " "	
INDONESIA	Southeast Asian Railway Network	Pre-investment study stage	
	Regional Railway Training Centre	" " "	
LAOS	Nam Ngum and Ca Dinh bridges	Technical feasibility studies completed 5 years ago	
	Ramps and ferry on Asian Highway Route A14 (Pakse/Muong Cao)	Preliminary studies completed. Final Study in Progress	
	Thanaleng-Nong Khai bridge	Feasibility study in progress. Completion in 1969	
	Improvement to Vientiane Plan road	Feasibility study proposed	
	Improvement to Asian Highway A3, A11 and A14	Pre-investment study stage	
VIETNAM	Can-Tho Bridge (on Asian Highway A3)	Requires survey and design before commencement	

Country	Name of Project	Status of Project as at Sept. 1967	Present Status (as at Nov. 1968)
	<p>Construction of the Railway Line Saigon-Tayminthxomvinh. Part of a Trans-Asian Line Connecting Vietnam, Cambodia, Thailand, Malaysia, Burma, India, Pakistan to Middle East.</p> <p>Improvement of National Route 4: Section Saigon-CAN-Tho (Asian Highway A3)</p> <p>Improvement of National Route 13: Section Saigon-Chon-Thanh (Asian Highway, Priority Route A3)</p> <p>Improvement of National Route 1 from Danang to Laos Boundary Phase I: Improvement of Danang Pass</p> <p>Saigon-Cambodia Border</p>	<p>Pre-investment study stage</p> <p>Pre-investment study stage</p> <p>Pre-investment study stage</p> <p>Pre-investment study stage</p> <p>Pre-investment study stage</p>	

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## REGIONAL CIVIL AIR TRANSPORT PROGRAMME

Country	Name of Project	Status of Project as at September 1967	Present Status (Nov. 68)
INDONESIA	Upgrading of Aerodromes	Ready for construction. Improvements to airfield lighting and buildings indicated	
	Upgrading of Air Communications	" " " "	
	Upgrading of Air Academy	Ready for implementation	
LAOS	Air Traffic Control Centre/ Communication Centre for F.I.R. Vientiane. Communication centre at the international Vientiane/Wattay Airport equipment	Pre-investment stage	
	Extension of Parking apron	" "	
MALAYSIA	Radio navigation aids	Ready for construction in the case of NDBs. Investigation into VOR/DME and VOR sites completed. Detailed engineering studies commenced.	
	Improvements to Penang Airport	Aerodrome works ready for construction. Airfield lighting, radio navigational aids at pre-investment study stage.	
	Flight Test Unit	Pre-investment study stage.	
	Aeronautical Mobile Service (Project 1 (b))	Ready for construction, sites already provided with telecoms, facilities.	

Country	Name of Project	Status of Project as at September 1967	Present Status
Malaysia	Radar surveillance unit for Kuala Lumpur International Airport	Pre-investment study stage.	
	Aeronautical fixed Telecommunications network	Pre-investment study stage (will be implemented along with telecoms projects which are in detailed engineering stage).	
	Meteorological facilities and services	" " "	
Philippines	Flight inspection services	Detailed engineering stage.	
Singapore	Calibration of Radio Navigational aids within the S.E.A. Region	Pre-investment study stage.	
	Proposals for an integrated South-east Asia Air Navigation aids network	" " "	
	Development of a more effective and efficient search and rescue set-up for the Southeast Asian Region (Paper "B")	Survey of existing facilities, future agreements, additional facilities, procedures and facilitation to be carried out.	
Thailand	Air Traffic Control (Radar)	Pre-investment study stage.	
	New International Airport at Bangkok (Project No. 2)	Preliminary survey was made by FAA in 1964 and engineering survey and design will be undertaken during 1968-1969.	

Country	Name of Project	Status of Project as at September 1967	Present Status
VIETNAM	Saigon International Airport Terminal	Pre-investment study stage	
	Saigon combined ACC COM facility	" " "	
	Approach Control Radar at Saigon and Danang	Pre-investment study stage. Surveillance radar and GCA	
	Air Navigational aids - VHF DME	Pre-investment study stage.	



## REGIONAL PORTS AND WATER TRANSPORT PROGRAMME

Country	Name of Project	Status of Project as at September, 1967	Present Status (Nov. 68)
INDONESIA	Aids to Navigation	Preliminary studies have been carried out	
	Search and Rescue	" " " " " "	
	Radio Station Unit	" " " " " "	
	Port of Belawan	" " " " " "	
	Port of Tandjong Priok	" " " " " "	
	Port of Bitung	" " " " " "	
LAOS	Improvement of port and harbour facilities at Vientiane	Preliminary studies confirmed the need to provide the facilities outlined in the project brief.	
	Improvement of port and harbour facilities at Savannakhet	Preliminary studies completed and confirmed the need to improve this port.	
MALAYSIA	Port Swettenham (West Malaysia)	Consultants already appointed for pre-investment study and detailed engineering. Pre-investment study expected to be completed in November, 1967.	
	Kuching (Sarawak, East Malaysia) - New port at Pending Port	Japanese Survey Team preparing pre-investment study.	

REGIONAL PORTS AND WATER TRANSPORT PROGRAMME

Country	Name of Project	Status of Project as at September 1967	Present Status
SINGAPORE	Jesselton (Sabah, East Malaysia) - Extension of existing wharf	Preliminary studies completed. Detailed site investigations to be carried out.	
	Sibu (Sarawak, East Malaysia) - Extension of wharf	Preliminary studies completed. No unusual engineering problem anticipated.	
	Sandakan (Sabah, East Malaysia) - Construction of four new wharves at Allard Bay	Preliminary studies completed. Soil investigations yet to be carried out.	
	East Coast Port (West Malaysia)	Preliminary studies requested.	
	Regional Wharehousing complex	Preliminary investigations made. Detailed drawings necessary before implementation.	
	Modernisation and improvement of coastal quay and shore facilities	- ditto -	
THAILAND	Specialised wharf facilities including regional container terminal services	One of the shipping companies has shown particular interest in this field and has indicated that a regional container service might be introduced in Southeast Asia.	
	Seaport at Leam Krabang	Preliminary study completed, Engineering survey to be made.	
	Seaport at Songkhla	Preliminary study and engineering survey completed.	

Country	Name of Project	Status of Project as at September, 1967	Present Status (Nov. 68)
VIETNAM	<p>Seaport at Puket</p> <p>Light and beacon system along Bassac River (South Vietnam)</p> <p>Bai-Can lighthouse</p>	<p>Preliminary survey completed and engineering survey to be made.</p> <p>Hydrographic survey completed.</p>	

## REGIONAL COMMUNICATIONS PROGRAMME

Country	Name of Project	Status of Project as at September 1967	Present Status (Nov. 68)
MALAYSIA	Microwave Scatter System between Gunong Pulai (West Malaysia) and Gunong Serapi (Sarawak, East Malaysia)	International tenders called. Construction of roads and site at Gunong Serapi can begin when propagation tests are completed and analysed by December 1967. Project can be completed before March, 1970 if orders for equipment are placed in December, 1967.	
	Microwave Link between Penang and Haadyai (Thailand)	A propagation survey of route can be completed in two months and tenders for equipment can now be called. Project can likely be completed by the end of 1969 if orders for equipment are placed in December, 1967.	
	Penang-Medan (Indonesia) - VHF Link	Tenders for equipment can now be called. The propagation path proved satisfactory for a VHF link in propagation tests carried out early in 1967.	
	Satellite Earth Station	Preliminary site survey completed and construction of site can begin within six months. Tenders for equipment can now be called in three months. Project can be completed by January 1970 if orders for equipment are placed in January, 1968.	

Country	Name of Project	Status of Project as at September 1967	Present Status (Nov. 68)
THAILAND	Kuala Lumpur - Singapore Second Microwave Link	Tenders can be called in two months.	
	Kuching - Brunei - Jesselton Microwave Link	Survey of route required before orders for equipment can be placed.	
	Kuching-Pontianak (Indonesia) Microwave/VHF Link	Route survey required.	
	Jesselton-Balikpapan (Indonesia) Microwave/VHF Link	Route survey required.	
	Kota Bahru-Haadyai (Thailand) Microwave Link	Route survey required.	
	Jesselton-Zamboanga (Philippines) Microwave Scatter Link	Route Survey required.	
	Kota Bahru - Nam Can (Vietnam)	Route Survey required.	
	Malaysia/Thailand Microwave Link (Penang-Haadyai)	Technical survey/study completed.	
	Indian Ocean Satellite Project (Provision of second antenna to existing station)	Existing station under construction. Provision of second antenna in the detailed engineering stage.	

Country	Name of Project	Status of Project as at September 1967	Present Status (Nov. 68)
PHILIPPINES	Over-th-Horizon System	Pre-investment study.	
	Philippines-Thailand Submarine Cable System	Pre-investment study.	
INDONESIA	Submarine cable linking Djakarta with Singapore	Pre-investment study.	
	Trans-Sumatra Microwave route	Pre-investment study.	
	Research Centre	Pre-investment study.	
BRUNEI	Brunei-Jesselton (Malaysia) Microwave Link	Survey of route.	
	Brunei-Kuching (Malaysia) Microwave Link	Survey of route.	
LAOS	Vientiane-Pakse-Saigon (VHF Link 20 channels)	Pre-investment study.	
	Vientiane-Luang Prabang (HF Radio Link)	Pre-investment study.	

Country	Name of Project	Status of Project as at September 1967	Present Status (Nov. 68)
	Vientiane-Nong Khai (Thailand) (VHF Link 12 channels)	Pre-investment study.	
	Radio Centre in Vientiane	Pre-investment study.	
	Telephone exchanges for :	Pre-investment study.	
	Paksane		
	Thakkak		
	Savannakhet		
	Pakse		
	Luang Prabang		

(xvi) THIRD MEETING OF THE CO-ORDINATING COMMITTEE  
OF SOUTHEAST ASIAN SENIOR OFFICIALS ON  
TRANSPORT AND COMMUNICATIONS

4th - 5th November, 1968  
Kuala Lumpur, Malaysia.

Southeast Asian Regional Transport Survey  
(Working Paper Prepared by Interim Secretariat)

Attached for the information of members of the Co-ordinating Committee is the text of the Asian Development Bank President's letter of 20 September, 1968 to the Minister for Foreign Affairs of Malaysia.

Interim Secretariat to the Co-ordinating Committee,  
Economic Planning Unit,  
Prime Minister's Department,  
Government of Malaysia,  
KUALA LUMPUR.

1st November, 1968.



ASIAN DEVELOPMENT BANK

CONFIDENTIAL

ADB/P/68/63  
September 20, 1968

His Excellency  
The Minister for Foreign Affairs  
Kuala Lumpur  
Malaysia

Dear Mr. Minister:

You will kindly recall your note EL/39/67 of December 21, 1967 sent to me following the Conference of the Transport Officials of the South-East Asian Countries in Kuala Lumpur and my letter of February 8, 1968, sent in reply thereto.

2. In my letter I had informed you that this Bank's Board of Directors after careful consideration of your note had authorized the Bank to undertake preparatory work to evolve a framework and terms of the proposed Regional Transport Survey of the South-East Asian Countries so that the Board could in due course take a decision on the undertaking of the Survey. Since then, a good deal of preparatory work has been done on an examination of the various conceptual and other aspects of the proposed Survey. The Bank staff has had the benefit of detailed consultations with the Coordinating Committee of the Transport Officials of the South-East Asian Countries and has also consulted with international organizations like the UNDP and the World Bank.

3. The Board of Directors recently reviewed the work so far done on the possible scope and framework of the Survey. In the meeting of the Board on September 17th 1968, it was decided that the participating Governments of the Conference on Transport & Communications in South-East Asia be informed that a Transport Survey in South-East Asia will be undertaken by the Bank. I am accordingly writing this letter to you so that you may advise the participating Governments.

4. The Bank will proceed to constitute as early as feasible a Steering Committee consisting of a number of top ranking experts who will be entrusted with the responsibility, in association with the Bank, for the preparation of the specific draft terms of reference for the Survey. In preparing the precise terms of reference of the Survey, the Committee will be required to give careful consideration to the work done hitherto by the Bank staff and the views expressed by Members of the Board at their discussions on this subject.

5. The Bank will consult with the World Bank and the ECAFE on the maximum utilization of resource material available therefrom and on the association of competent experts from their organizations on the Steering Committee along with other experts.

6. Based on the outcome of the work of the Steering Committee, the Bank, in accordance with its usual procedure, will take action to obtain from suitable consultants firm estimates of the cost of the Survey. It will also continue discussions on the utilization of assistance or expertise that could be made available by member countries and consult with the UNDP on the scope of its possible participation.

7. As soon as possible thereafter, the proposed terms of reference of the Survey and the estimates of costs will be submitted to the Board of Directors of the Bank for approval. We will in the meantime continue to be in contact with the Interim Secretariat of the Coordinating Committee set up by the South-East Asian Governments.

Permit me, Mr. Minister, to avail myself of this opportunity to renew to you the assurance of my highest consideration.

Yours sincerely,

(signed),  
Takeshi Watanabe  
President

ASIAN DEVELOPMENT BANK

RESOLUTION PASSED BY THE BOARD OF DIRECTORS  
OF THE ASIAN DEVELOPMENT BANK OF SEPTEMBER  
17, 1968

REGIONAL TRANSPORT SURVEY

"The Board resolved that:

- (a) The participating Governments of the Conference on Transport and Communications in Southeast Asia be informed that a Transport Survey in Southeast Asia will be undertaken by the Bank.
- (b) The Bank proceed to constitute a Steering Committee consisting of a number of top-ranking experts which should be entrusted with the responsibility, in association with the Bank, for the preparation of the specific draft terms of reference for the Survey after careful consideration of the scope outlined in Board Document R41-68 and of the views expressed in the Board thereon.
- (c) The Bank consult with the ECATE and IBRD on the maximum utilisation of resource material available therefrom and the association of competent experts from their organisations to serve in the capacity of experts on the Steering Committee.
- (d) The Bank take action (according to the Guidelines for the Use of Consultants by the ADB and Its Borrowers) to obtain from suitable consultants firm estimates of the cost of the Survey.
- (e) The Bank enter into substantive discussion on the utilisation of assistance or expertise that could be made available by member countries and consult with the UNDP on the scope of the UNDP participation in the Survey.
- (f) As soon as possible, thereafter, the proposed terms of reference of the Survey and the estimates of costs be submitted for approval by the Board.
- (g) The Bank take early steps to augment transportation staff to the extent necessary."

ASIAN DEVELOPMENT BANK

(for consideration of the Board)

REGIONAL TRANSPORT SURVEY

I. Introduction

1. The broad objective of the proposed Regional Transport Survey as envisaged by the Kuala Lumpur Conference of September 1967 is stated as follows:

"Recognizing the importance of Transport and Communications to regional as well as national development, the Conference unanimously agreed that the development of an integrated network of Transport and Communications facilities in the region is of fundamental importance. To this end, the Conference undertook to request the Asian Development Bank to administer on its behalf the implementation of a comprehensive transport survey covering all modes of transport in the region. While the survey should have, as one of its specific objectives, recommendations on an investment programme for regional transport projects in the medium and long terms, it should have as its underlying motivation the development of transport in the region along lines which will maximise the possibilities for progressive economic integration of the countries in the area."

In terms of the recommendations of the Kuala Lumpur Conference, thus, the proposed Regional Transport Survey is expected to provide a basis for co-ordinated development of the transportation networks of the countries of the Southeast Asian region which will facilitate the overall economic development of the region as a whole.

2. The ADB received towards the end of December 1967, a request to undertake and administer a Regional Transport Survey from the Government of Malaysia acting on behalf of the eight countries which participated in the Kuala Lumpur Conference (namely, Brunei, Indonesia, Laos, Philippines, Thailand, Malaysia, Singapore and Republic of Vietnam). The recommendations of the President to

the Board, as given in Para. 10.1 of DOC. R5-68, Revision 1, Final, were as follows: -

- "(a) The Board authorize the undertaking of work to evolve the framework and terms of regional transport survey in the South East Asian sub-region;
- (b) That, in evolving the framework and terms,
  - (i) due account be taken of the existing transport situation and the plans for future transport development in relation to realistic projections of overall economic growth of the subregion;
  - (ii) other sources (international as well as national) of external aid be suitably explored to the extent possible in respect of provision of expertise, advice on the work program and possible participation in financing; and
  - (iii) the Coordinating Committee mentioned in the Malaysian Government's communication be closely consulted; and
- (c) That the framework and terms as may thus be evolved together with an estimate of costs, be submitted to the Board for a final decision as early as possible."

The Board's decision (DOC. M7-68) was as follows:

"The Board considered Regional Transport Survey (DOC.R5-68). After amending paragraphs 4, 5 and 10 and pages 1 and 2 of the draft reply to the Malaysian Government (DOC.R5-68, Revision, 1, Final), the Board approved the President's recommendation as set out in paragraph 10 of the document and expressed the hope that, with due regard to the complexities underlying the proposed survey, it would be possible to conduct the preliminary work so that the draft framework and terms of reference could be submitted to the Board by the beginning of June 1968."

3. Since the decision of the Board in early February, work has been proceeding on an examination of the various conceptual and

other aspects of the proposed Survey. The Bank was able to obtain the services, as short-term consultants, of Prof. E. Ullman (of the University of Washington, Seattle, U.S.A.), Prof. K. Vonk (of the Institute of Transport Economics of Netherlands), Mr. A. Marumo (of the National Planning Agency, Tokyo) and Mr. H. Lapin (of the U.S. Department of Transportation); these experts have been of considerable help in analyzing the nature of somewhat comparable surveys undertaken in other parts of the world and in considering what, in the circumstances here, would be vital to the Survey, Prof. S. Kobe of Japan who is currently Adviser to the Transport Division at U. N. Headquarters was also consulted by correspondence. Discussions were also held in Washington with officials of the World Bank (which has had a considerable role in transport development in developing countries), the Inter-American Development Bank (which seeks to utilize transport as an important instrument of regional integration) and the U. S. Department of Transportation; Dr. Wilfred Owen of the Brookings Institution (who is a recognized authority on transport economics and who is currently endeavouring to set up a world organization on the promotion of transport) made himself available to assist in the discussions with the World Bank. The possibility of the UNDP cooperating in such a Survey, should it be authorized by the Board, was also tentatively examined with the officials of the UNDP Headquarters. For the purpose of these discussions, information was collected both relating to similar surveys undertaken elsewhere and relating to transport as it is in the Southeast Asian countries; in the latter, Southeast Asian countries and ECAFE were very helpful.

4. A number of alternative hypotheses from which the Survey could take off were examined. For instance, in considering the future growth potential in the region against which could be posed the needs for transport development, what would be an appropriate method of assessing such potential? Would it be useful to base this solely on macro-economic projections of growth or on plan targets developing in individual countries? Or, in the alternative, would it be better to consider those sectors of further growth where transport costs would be a major factor and analyzing the potentialities from this selective approach? The appraisal of this and other alternative hypotheses for the Survey, had also to be considered from the point of view of realistic time schedule and work frame. The advice given by the experts and the very willing cooperation displayed by the World Bank have made it possible to

evolve what is believed to be a practical framework for the Survey.

5. The rationale for a Regional Transport Survey may be derived from the following aspects, among others, of economics and geography:

- (i) In terms of geography, the region with its land mass to the West and with a chain of islands to the East and South of a body of water can constitute a cogent geographic region for integrated transport planning.
- (ii) With its population of nearly 200 million people, per capita income of about \$120 per annum, and the existing not too unsatisfactory of unstable economic and food situation and with its vast under-developed resources, the region can prima facie offer prospects of regionalised economic growth.
- (iii) The existing patterns of economic structure of the countries in the region are not too dissimilar; their trade and commerce are largely with the countries outside the region (the intra-regional trade constitutes about 20 percent of the total overseas trade of these countries). The prospects of promoting intra-regional trade and commerce will depend upon the extent of diversification of economies of the countries of the region such as may be possible through joint, integrated planning, on a selective basis, of agriculture, mining and industries by widening the regional markets and making available economies of scale. Balance of payments considerations land urgency to the examination of possibilities herein. The role of integrated development of transportation in the region can be viewed in this context. The proposed regional transport survey could serve a useful purpose insofar as it may provide a basis for co-ordinated development of the transportation system of the region and stimulate an appraisal of the possibilities of regional development in selected lines of production.

- (iv) The transportation studies which have been done on a national basis, in the view of authorities (national as well as international) concerned with such studies, clearly point to the need to keep regional aspects in view in planning for development of transportation. The introduction of modern technological innovations such as container services in shipping and large-sized aircraft like jumbo jets in the case of air transport, lends significance to application of regional approach in planning of services and developing infrastructural facilities which, in the nature of things, may involve heavy capital investments. The scale of effort and investment involved in some of the projects already under consideration in different countries, the limitation of the size of markets and the limitation of resources are factors to be reckoned with in the consideration of these projects. The proposed Survey could be extremely useful in this regard.

6. The demand for transportation is a derived demand and can only be assessed in terms of projected growth of economic activities of different countries and of the region as a whole. Assessment of projected economic growth can be conceived of in various dimensions relative to the purpose of the assessment. A total and comprehensive study of all aspects of economic growth in the South East Asian region will present considerable problems of data gathering and involve a timescale for the study which, in terms of the requirements of the Regional Transport Survey as explained hereinafter, will detract from the immediate practical utility of the Regional Transport Survey. To serve the purpose of rationalization of transport investment which is one of the main intents of the South East Asian Governments, it is necessary to make the Survey realistic and selective in approach so that it provides a practical framework for development of intra-regional transportation and mobility and serves, to the extent possible, to advance constructive thinking on the possibilities of regional development that may be inhibited by the existing difficulties in regional transportation and that can be promoted by improving intra-regional transportation.



## II. Scope of the Survey

### Geographical Coverage:

7. The request for the Survey emanated, and would therefore include if undertaken, eight countries of Southeast Asia; namely: (1) Brunei, (2) Indonesia, (3) Laos, (4) Malaysia, (5) Philippines, (6) Singapore, (7) Thailand and (8) the Republic of Vietnam. To a certain extent, the Survey would have to assimilate data pertaining to other proximate countries especially the adjoining countries of Burma and Cambodia. Possibilities of regional transportation development need necessarily to be appraised against projected patterns of intra-regional and international trade and it may be necessary, therefore, to obtain the relevant information and data for some of the countries outside the Southeast Asian region.

### Functional Scope:

8. The functional scope of the Survey may be viewed in three parts, which, though somewhat distinct, are closely related to each other. In the first place, insofar as development of regional transportation depends upon and is conditioned by the development of transportation systems in individual countries, the regional transport survey would have to assimilate the basic essential data and projected requirements on the national transportation system of each country.

Secondly, in relation to its immediate objectives, the Regional Transport Survey can provide a detailed analysis of the existing patterns of trade and travel with a view to assessing the present and potential demands for transportation and identifying the difficulties and bottlenecks which inhibit intra-regional movement of goods and passengers and recommending measures needed to overcome them. (By reference to "existing" in this context, it is not only the present volume of trade and travel but also what, on the present patterns of activity, can be envisaged as the present growth potential for trade and travel.)

Thirdly, the Survey can provide an assessment of the rôle that regional transport can play both as a tool and a corollary of regional economic development and the necessary conditions and policy framework to make this rôle as effective as feasible. This part of the Survey can aim at identification of the possibilities of regional planned development in carefully selected lines of production (industrial and agricultural) in which transportation costs

constitute a significant factor and which, therefore, can be expected to be promoted by development of intra-regional transportation. The Survey can indicate the potential for growth in these selected production activities and the needs of regional transport development concomitant with this such as would merit further consideration by the Governments of the concerned countries for follow-up studies and connected policy and investment decisions.

9. Each of the above three aspects is examined in detail below as constituting justifiable parts of the scope of the proposed Regional Transport Survey.

National Transportation and the Regional Survey:

10. As explained in the following paragraphs, for examination of the status of the national transportation systems, the Regional Transport Survey will depend, to the extent possible, on studies conducted in the past and those underway or proposed for the future on a national basis in various countries of the region. To the extent necessary, the Survey should provide for filling up gaps in the available data as required and collection of basic data in the few countries where no separate studies on a national basis are being organised.

11. The following materials and analyses of the national transportation situations will be needed to provide the basis for study of regional transportation needs:

- (i) The present and anticipated demands for transportation arising from domestic and foreign trade and commerce and travel by the existing or possible new forms of transport;
- (ii) The role and function of different transport media, the adequacy or inadequacy of the capacities provided by them with reference particularly to the needs of agricultural and industrial development in the country, and their efficiency of performance;
- (iii) The details of measures already underway or proposed to be taken up or new measures considered essential to achieve economic distribution of traffic between the various modes of transport and coordinated development of transport services including inter-alia the establishment of pricing and regulatory measures.

12. Insofar as the proposed Regional Transport Survey needs data and analysis regarding the national transportation systems of individual countries, it will do well not to duplicate, but to draw upon the studies or surveys done or proposed to be soon taken up on a national basis in countries of the region. A comprehensive transport survey on a national basis is underway in Malaysia and the report on the survey is expected to be available soon. Similar surveys are proposed to be taken up shortly in the Philippines and Thailand; the former to be administered by the IBRD and the latter by USAID. A somewhat limited survey focusing on the urgent problems

of rehabilitation for development of highways is proposed to be undertaken by IBRD in Indonesia. In Singapore, an urban development study is underway which includes certain aspects of transportation. A transport study on Vietnam was completed by the USAID about two years ago; this may need to be reexamined and updated. Where such surveys are being conducted, the data flowing from the surveys can be fed into the Regional Survey and vice versa. For this purpose, it will be necessary also to appraise the studies done in the recent past by different agencies including the Governments of the countries and sift such material as may be relevant or useful for the Regional Survey. Where studies on a national basis are still to be organised, it may be desirable to carefully consider or review their terms of reference and provide for regional aspects to the extent possible.

The Regional Transport Survey will have to evaluate the data made available to or by the studies at the national level and may also have to undertake at least a minimal amount of data gathering and analysis in respect of countries which do not have such studies and in respect of transport sectors that may not be adequately covered in the studies. Thus, the Survey will have to provide for collection of basic data in Brunei and Laos; for in these countries no studies or surveys on a national basis are to be organised independently of what may be done as part of the Regional Transport Survey; the studies referred to above in Indonesia and Singapore may similarly have to be supplemented by ancillary data gathering.

Present Patterns of Regional Traffic and Travel, Existing Restraints and Remedies:-

13. This part of the study can focus on an analysis of the existing situation of regional transportation for goods and passenger traffic (as referred to in Para. 8) and the restraints thereon and on an assessment of the demand for regional transportation and of the measures needed to tackle the restraints that may exist (whether physical, financial or other policy-wise). The following aspects in particular can be covered:-

- (i) analysis of the existing patterns of trade and commerce of the region as between themselves and as with the rest of the Asian region and with the rest of the world;
- (ii) assessment of the existing demands for regional transportation and travel including potential demands likely to arise from the economic activities in the countries at current levels and as likely to develop in the immediate future;

- (iii) detailed study of the existing facilities for regional movements of goods and passengers and assessment of the available capacities for such movements;
- (iv) identification of the existing difficulties and bottlenecks including (a) physical missing links, (b) absence or inadequacies of the necessary organizational and institutional arrangements and (c) policies including pricing, fiscal and regulatory policies affecting intra-regional flows of traffic (goods and passengers);
- (v) appraisal of the existing efficiency of performance of different transport media in relation to regional transportation of goods and passengers and of the measures needed to improve efficiency including marginal investments in existing facilities where justified and introduction of better management and other techniques, etc.;
- (vi) examination of potential technological developments in the field of transportation, based upon considerations of economies in costs, and facilitation of speed and convenience of movements, including especially the scope for introduction of container services on a regional basis;
- (vii) assessment of scope for and to the extent possible, formulation of specific proposals for joint, integrated transport services including rail, highway, shipping and air services on a regional basis;
- (viii) assessment of investment needs (together with corollary action) and priority classification thereof that would be necessary in the short-term say, over a period of five years 1971 - 75 to remedy the present physical bottlenecks; and
- (ix) recommendations on institutional, organisational and policy measures (including pricing fiscal and tariff policies) to promote co-ordinated operation and development of regional transportation in the region including co-ordinated formulation and implementation of plans and policies.

Regional Transport Development in the Context of Future Regionalised Economic Development

14. The analysis involved in Para. 13 it would be noted, would be based on the pattern of economic activity (and its implications relating to regional transport) as it exists; as part of the analysis, recommendations may be expected which would deal with physical and other restraints on regional transport development on the present pattern of economic activity and with the policy and investment

decisions that would have to be considered in the near future so as to reduce the restraints in a relatively short period of time. Such an analysis would, however, be limited in nature and would not meet fully with the objectives of the Kuala Lumpur Conference; that Conference indicated that the "underlying motivation" of the Survey should be "the development of transport in the region along lines which will maximise the possibilities for progressive economic integration of the countries in the area." It is also to be noted that in the Third Ministerial Conference for Economic Development of Southeast Asia held in Singapore in April, 1968, the Conference "expressed the hope that the scope of the Regional Transport Survey to be undertaken by ADB would take account of regional industrialization and tourist potentials."

The third part of the Survey could, therefore, address itself to the requirements of what the future economic growth is, or can be, more based on regional concepts than in the past. However, such an analysis should not lose sight of the fact that the context is one of transport development; thus, estimation of future growth lines on a regional basis, whether in agriculture or in industry, would be done not on a generalised basis, of overall economic growth but on a selective basis which would concentrate on those specific potentialities of regional growth in industry and agriculture wherein transport and transport costs are of major significance and importance. These selected lines of possible development would naturally have to be correlated to the transport developments necessary therefore and to the policy and other considerations which would be relevant for arriving at decisions on regionally integrated growth. It is believed that the Survey would be rendering useful services if it addresses itself, in this part, to the identification, on a reliable economic analysis, of these possibilities for the future. In the light of the views that member Governments may then hold on the possibilities thus thrown up, further detailed studies can be undertaken preparatory to investment decisions. It is, however, considered useful that the Survey should also contain, in respect of one or two illustrative lines of future development, the blueprint for these studies to be further undertaken.

15. This identification of the possibilities of regional development on a regional or sub-regional basis might be against the time perspective of ten years, i.e., 1971-80 and in this, the Survey could be

guided, among other considerations, by the following:

- (a) possibilities of broadening markets for local resources;
- (b) helping achieve economies of scale from a regional market, and
- (c) developing complementarity among countries and promoting international markets.

The Survey may, in this part, provide specifically for the following:-

- (i) appraisal of trends and potential developments in the fields of agriculture, mining and industry in different countries of the region and identification of conditions under which or measures by which regional transportation can be used to promote these developments on a regional scale. This will be on the basis of selected industrial and agricultural outputs of major significance in regional movement which are sensitive to transport cost changes;
- (ii) identification of selected processing and manufacturing industries in which transportation costs have important significance and which might benefit from the enlarged regional markets and realisation of economies of scale thus made possible and which would merit further detailed examination;
- (iii) assessment to the extent possible, of future trade potentials - intra-regional and international, based on (i) and (ii) above;
- (iv) assessment of potential development of tourism including intra-regional and international tourism;
- (v) in terms of the projections arising from (i), (ii), (iii) and (iv) above, an identification, for purposes of detailed studies of the high priority investment opportunities and their correlated transport needs;
- (vi) preparation, on the basis of economic requirements, of a blue print for one or two activities, with their interrelated transport requirements, that is identified (as per (v) above) as potential for promotion on a regional basis;
- (vii) recommendations on policy decisions and other conditions for implementation of the above development programmes on a regional basis;
- (viii) appraisal of the possibilities of regional marketing including possibilities of regional cooperation in wholesaling, warehousing and distribution, etc.

- (ix) recommendations on opportunities for developing regional training and research centers such as institutes of research and technology and institutes for training in management of transportation services, etc.\*

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\*In respect of the third part of the survey as dealt with in the preceding paragraphs, two questions have been raised in the course of comments received on the earlier draft circulated with DOC.Sec. M22-68 of 31st May 1968. The first question relates to the place of the third part of the study against the total framework. The second relates to the impact that there may be on this aspect of the proposed Regional Transport Study, should the proposal now under consideration with the ECARE for a regional industrial survey materialize.

On the first question, as para.14 shows, the Southeast Asian countries who have sponsored the proposal have in mind not only the identification and rectification of existing regional transport bottlenecks (dealt with in the first and second parts of the present proposal) but also, as "underlying motivation" of the survey, "the development of transport in the region along lines which will maximize the possibilities of progressive economic integration in the area." This part of the Survey is oriented towards providing at least a starting off point in respect of this "underlying motivation" by

- (a) attempting a selective identification of specific fields where, in a close nexus between transport and the selected economic activity, there could be ground for regional integrated growth; and
- (b) evolving a blueprint for future specific studies in such of these selected fields as may later be decided upon by the governments.

It is submitted that the third part of the proposed framework is the very minimum effort that could be a meaningful starting point for what the Kuala Lumpur Conference termed the "underlying motivation" of the study.

On the second question, it is not possible to say at this stage what the impact of the ECARE-proposed regional industrial survey would be on this aspect of the proposed framework. It is, however, relevant to point out that, in the proposed framework, for identification of an industry as potential for regional integrated growth, the essential criterion would be the extent to which transport costs are significant therein. Since the ECARE-proposed regional industrial survey is not conceived of essentially as a transport-oriented industrial survey, various criteria for selectivity could be used. The emphasis in our proposed framework on the significance of transport costs as the criterion of selectivity would be a special feature relevant to a transport survey which cannot be expected to be equally emphasized in a broader industrial survey. There is another factor also to be considered. This aspect of the survey would not merely be an identification of the possible lines of regional growth in the fields of economic activity where transport costs



are significant but there would also be an identification of the correlated regional transport development as basis for future detailed studies. This latter aspect is unlikely to be a part of a regional industrial survey.

### III - Organisation

16. A survey of such a complex nature would depend for success on the manner in which it is organised. A very considerable amount of fieldwork is involved; there will have to be a substantial amount of data-gathering, analysis and evolution of recommendations in different economic aspects; there would also have to be examination pertaining to the different modalities of transport and an assessment of the role of each, taking into account both economic and engineering aspects. It is believed, and this belief is borne out by the experience of the World Bank, that the proper organization for such fieldwork would be through the active association of consultant firms in such work. It is noted that in such studies elsewhere (where the complexities are, if anything, somewhat less) consultant services are usually drawn upon from a wide geographical field and it would seem essential that, if the Survey is taken up and is to be conducted successfully, attention should be given to ensure the team of consultants responsible for the fieldwork being drawn from as wide a variety of sources as needed to provide maximum competence. In order to ensure that maximum competence is recruited for the purpose without confinement necessarily to any one single country and to ensure that, in the ultimate analysis, for such competence of the survey (e.g. examination of port development, or highway development) the right type of consultant firms is available, it would seem expedient to think in terms of consultant firms being employed either as a consortium or with any one prime contractor who in turn (as part of his proposals) would engage other sub-contractors; care would of course have to be taken that in either case there is one identifiable unit to which the primary responsibility for the discharge of the function attaches and that the team is composed in a manner so as to ensure cohesive operations for purposes of the Survey.

17. The appointment of consultants for the proposed Survey, naturally, will have to conform to the guidelines adopted by the Bank for the employment of consultants. In accordance with these guidelines, the terms of reference of the proposed Survey would be referred to a pre-qualified list of consulting firms to invite their proposals. Considering the special requirements of the Survey in terms both of economic and engineering studies and analyses, it is regarded that special importance should be attached to the following as prequalifications for consultants:-

- (i) The consultants should have proven experience of work on comprehensive transportation surveys, covering various media of transport and the transportation sector as a whole in relation to growth of economy in different sectors;
- (ii) The consultants should have, or have access to, the following expertise:
  - (a) Economists with experience of studies and analyses pertaining to economic development of developing countries and experience of analyses and projection of trade growth;
  - (b) Transportation economists with experience of traffic surveys and assessment of transportation needs in relation to growing economies, cost studies pertaining to transportation and benefit cost studies of transportation projects, etc.;
  - (c) Industrial economists with experience of survey and planning work in relation to industries;
  - (d) Engineering and technical personnel with specialized experience of engineering and operational problems of different transportation media, such as highway and highway transport, railways, ports and shipping and civil air transport;
- (iii) They should, under their arrangements, be able to associate expertise selected from as large a field as possible from within the membership of ADB (including the countries of the region);
- (iv) They should be adequately equipped with data-processing facilities, including application of computer techniques in data compilation and analysis; and
- (v) They should have, preferably, experience of work in one or more countries of the Southeast Asian region.

The consultants will be required to indicate to the Bank their detailed proposals (particularly in regard to Item (iii) above) for the proposed Survey. They would also be asked clearly to indicate the studies pertaining to the field of transportation in which they might have been involved in the past or currently in the Southeast Asian countries. The proposals received from the consul-

tants would require careful evaluation. Among the points relevant to such evaluation, apart from the consultants' general background and experience in the field of transportation and other similar studies, would be the suitability of the arrangements proposed by them to secure association with other firms for purpose of the Survey, as also adequacy of their proposed work plan and approach, etc.

18. Apart from the organisational responsibility in the field-work, it is also important to consider the expertise for guidance and direction to be brought to bear on the work of the field organisation. A task of this complexity, particularly in view of the far reaching economic implications that regional development would carry, would justify the setting up of a Steering Committee which would be responsible for the technical guidance of the work of the consultants, for the periodic evaluation of their work and for the periodic assessment (when and where this may become necessary) of the economic implications of regionalism as relevant to the study. On such a Steering Committee, a number of top ranking experts in different fields of activity relevant to this enterprise could be selected on the basis, naturally, of their competence (rather than on a representational basis). The Steering Committee could meet periodically and could, apart from guiding the consultants, also make recommendations to the Bank in case any fundamental changes in the concept of the task become necessary. To service the Steering Committee, to maintain liaison between the consultants and the countries, and to provide the normal day-to-day control over the work of the consultants, the Bank staff at the headquarters would have to be augmented by the addition of a few staff members who can be taken on limited periods of engagement.

19. Suitable counterpart arrangements would be needed by the countries to assist the field organisation engaged in the survey in the collection of factual materials, etc. Apart from making available the counterpart staff, the governments of the countries will have to be invited to consider contributing towards local expenses of the Survey. While the responsibility for the conduct of the Survey, if undertaken, would have to rest with the ADB, the Bank in turn would have to maintain continued and close consultations with the Coordinating Committee of the Southeast Asian countries. The detailed proposals for counterpart organisation in the countries and for coordination and cross-flow of information

between the national surveys and the Regional Transport Survey have been attempted in a document adopted at the meeting of the Coordinating Committee held at Bangkok on 15 and 16 May 1968 which is appended to this paper (Annex I).

#### IV - Estimates of Cost and Scheme of Financing

It is difficult to work out a precise estimate of cost of the Survey at this stage. Such an estimate will emerge only after the detailed terms of reference have been drawn up and proposals received from consultants on the basis of these terms. On the basis of very rough estimates worked out at this stage, taking into account the experience of the World Bank and in informal consultations with their staff, it would seem that the Survey if undertaken on the above framework would take about 18 to 24 months to complete and would, in all probability, cost, in terms of foreign exchange, about \$2.5 million. In addition, some local expenses will be involved in respect of which equitable arrangements would have to be worked out with the Governments of the regional countries. The Coordinating Committee set up by the Kuala Lumpur Conference had undertaken at its deliberations on 15th and 16th May 1968 to formulate recommendations to the Governments on the contributions which they should make "towards the local counterpart expenses of the field organization of the consultants".

21. The Government of the U.S.A., which gave certain indications at the Kuala Lumpur Conference of the assistance it was prepared to make available for the Regional Transport Survey has since confirmed that, subject to availability of funds, it is prepared to support the Survey to the extent of \$1 million. The following letter was addressed to the Bank by the Director for U.S.A. on the ADB on 3 July 1968:

"The United States is pleased to note, pursuant to Bank document Sec. M22-68, that a proposal for the Bank to undertake and administer a Regional Transport Survey in Southeast Asia will soon be presented for consideration by the Board of Directors in response to a request from the countries which participated in the Conference of Southeast Asian Officials on Transport and Communications held in Kuala Lumpur in September 1967.

"In this connection, I wish to reaffirm the pledge given by the U.S. Observer at that Conference that, subject to the availability of funds, the Government of the United States is prepared to support such a Survey to the extent of \$1 million.

"On the basis of the Board of Directors approval for the Bank to undertake and administer the survey, the U.S. Government would consult with the Bank regarding arrangements for the obligation of U.S. funds for procurement in the United States for this purpose and procedures for transfer of funds to the Bank to assist in financing the Survey."

22. It is learnt that the Government of Japan is willing that, in addition to the supplementary technical assistance offer of Yen 11,260,000 from Japan (Doc. SEC.M30-68 and Doc. M23-68) the earlier technical assistance contribution from Japan (of \$100,000) could be utilised to a reasonable extent for the purposes of the Regional Transport Survey should one be decided upon by the Board.

23. The United Nations Development Programme in discussions that at the present stage are tentative and do not constitute a commitment, has indicated its willingness to consider participating in the Survey to a sum of between \$500,000 and \$800,000 provided that a request, therefore, be officially sponsored by one or more of the Governments involved. It is proposed to enter into detailed discussions on the possible utilisation of assistance or expertise that could be made available by member countries and also on the exact scope of the UNDP participation in the Survey. Taking these factors into account, it seems that the ADB's outlay of its own resources is likely to be of the order of US Dollars Seven hundred to eight hundred thousand. The precise estimates will be submitted for consideration and approval after consultations with potential outside sources and when the cost of consultant services comes to be known.

V - Further Action

24. The various steps authorized by the Board of Directors in their decision of 6 February 1968 have now been taken and the foregoing represents the results thereof. It is recommended that the Board of Directors consider and authorize the taking up of the Regional Transport Survey on the lines indicated in the foregoing paragraphs. Such approval, if forthcoming, would, inter alia, enable the following action to be taken:

- (a) that the request from the Southeast Asian countries be replied to finitively, that the Bank will undertake a survey on the lines indicated in the framework above;
- (b) that the Southeast Asian countries begin to take action on setting up counterpart facilities and continue the work being done to assemble material (inter alia on national transport studies);
- (c) that the Southeast Asian countries come to conclusions on the facilities that they would make available for the purposes of the Survey by way of provision of local facilities;
- (d) that the Bank proceeds with the formulation of detailed terms of reference based on the above framework;
- (e) that the Bank proceeds to the setting up of a Steering Committee as explained in para. 18 with the help of which the draft terms of reference evolved in the Bank could be finalized.
- (f) that the Bank proceeds to the consideration of engagement of consultants on the lines indicated above;
- (g) that the Bank enters into substantive discussions on the utilisation of assistance or expertise that could be made available by member countries and (through the agency of one of the Southeast Asian countries) consult with the UNDP on the scope of the UNDP participation in the Survey;



- (h) that the Bank consults with the ECAPF on the maximum utilisation of resource material available therefrom and, if possible, the association of a competent expert from their organisation to serve, in the capacity of an expert, on the Steering Committee;
- (i) that the Bank be in continuing consultation with the World Bank on the evolution of terms of reference and on other steps conducive to the efficient conduct and completion of the Survey;
- (j) that, as soon as possible, after the consultations with potential outside sources, the Board be supplied with firm estimates of costs for consideration and approval; and
- (k) that augmentation of Bank staff to the extent absolutely necessary for the handling of the Survey be commenced.

ANNEX I

Second Meeting of the Coordinating Committee of Southeast Asian Senior Officials on Transport and Communications

15 - 17 May, 1968  
Bangkok, Thailand

Coordination of National Transport Surveys  
with the Regional Transport Survey

A. Paper Submitted by the Coordinating Committee

1. Introduction

The object of this Paper is to suggest methods of bringing about co-ordination between the proposed Regional Transport Survey (RTS) and individual national transport survey in participating Southeast Asian countries. It will be recalled that this subject was discussed in a preliminary manner at the First Meeting of the Co-ordinating Committee.

2. The importance of relating effectively national transport surveys with the RTS was stressed at the meeting. Not only should there be a cross-flow of information and analysis between the two but where national transport surveys would be launched in the near future, every attempt should be made to ensure that their terms of reference and scopes of work were so designed that they might take regional aspects into account to the extent where this was appropriate. In this connection, officials of the ADB suggested that it would be of great help in planning the RTS if they were given the opportunity to see the terms of reference of the national transport surveys at the draft stage and offer their suggestions.

3. The need for effective counterpart arrangements in the countries of the region in the course of the RTS was also emphasized. Where there were local agencies responsible for national transport surveys, it would seem desirable that the same agencies be used also for the RTS. In a number of cases, some strengthening of the national organizations might be necessary, particularly if they were to support both the national and regional surveys.

## II. Areas of Co-ordination

4. The objectives of the proposed RTS will be as follows:-

- (i) to identify the existing difficulties or bottle-necks which inhibit intra-regional transportation and travel across the boundaries of the countries of the region;
- (ii) to study possible solutions to these difficulties or bottlenecks;
- (iii) to identify regional economic activities which can be promoted by improving intra-regional transportation; and
- (iv) to indicate the role of regional transportation development in the process of regional economic integration generally and the conditions under which this role can be made effective.

5. To satisfy the above objectives, by way of illustration, two work areas might be mentioned where co-ordination between the RTS and national transport surveys will be essential.

6. First, the RTS will have to determine and evaluate the international trade and travel potentials of countries in the region and the traffic that is expected to be generated therefrom. Current and projected data on traffic generation, assignment and flows will have to be obtained and evaluated in respect of each of the countries in the region. Much of this data can be made available from national transport surveys which would be completed or have reached an advanced stage when the RTS commences. Such data could be used by the RTS and further work undertaken to fill information and analytical gaps. In the case of national transport surveys which are yet to be taken, the need for co-ordination is obvious to avoid duplication of effort and to ensure uniformity of approach and methodology to be adopted.

7. Second, although the RTS will focus on regional transportation needs, consideration of the status of the more important features of the national transport system in each country would be necessary so as to determine the expansions and improvements needed to meet at minimum

cost projected international demands. Much of the data required for a review of each national transport system could be made available through the national transport surveys that will be in progress during the course of the RTS, if not already completed. In such cases, therefore, the RTS, would need to concentrate on revising or evaluating available data and undertaking special studies to the extent that these would be necessary to meet the RTS objectives.

### III. National Transport Surveys

8. In connection with what was stated above, the following should be noted. A transport study for Vietnam was completed about two years ago. A national transport survey is in progress in Malaysia and will be completed in August 1968. In the case of Singapore, a comprehensive urban development study is underway, which includes some aspects of transportation. In the case of Philippines and Thailand, comprehensive transport surveys are being planned for implementation shortly. In Indonesia, a study focusing on highway development is proposed. It would be highly desirable to co-ordinate these studies with the RTS. The RTS will provide filling up of gaps in available data as required and collection of basic data in Brunei and Laos by utilizing the counterpart organizations as far as feasible.

### IV. Proposed Methods for Co-ordination

- (a) National Transport Surveys which will be Initiated during the course of the RTS

9. Once data requirements have been determined, early consultations should be arranged:

- (a) to determine the areas in which cross-flows of information would be necessary or desirable and those subjects or issues in which the results of analysis undertaken under one survey would be useful for the other;
- (b) to determine the areas in which common data/information requirements exists with a view to making satisfactory arrangements for such data being collected and processed.

under the auspices of one of the surveys for the benefit of both the RTS as well as the national transport survey concerned.

10. Arrangements would have to <sup>be</sup> made which would ensure that in the course of the RTS and the national transport surveys, effective cross-flows of information take place on a speedy basis.

(b) National Transport Surveys completed prior to or in the early part of the execution of the RTS

11. A basic requirement is that the recommendations and all supporting data and back-up documentation should be made available expeditiously to the ADB as well as to the executors of the RTS. These will have to be reviewed under the RTS with the object of determining whether any additional investigations would be necessary to complete a comprehensive programme for the region, whether there are any grounds for revising particular recommendations generated by the national survey and whether additional recommendations to the national survey are justified. To facilitate this process it is important that facilities be established for constructive contact on a continuing basis between the transport planning agencies in the countries concerned and the executors of the RTS. In the final analysis, it would be ideal if decisions on projects recommended under national transport surveys but which have considerable regional implications of one sort or another were taken not only on the basis of the national surveys but also in the light of the recommendations and considerations advanced under the RTS for the creation of an efficient, least-cost regional network. In cases like this, it would be desirable to provide for consultations with the authorities engaged in the RTS.

B. Record of Discussions at the Second Meeting

"In respect of national transport surveys which will be initiated during the course of the RTS, the Committee agreed to recommend to participating Governments that once data requirements have been determined, early consultations should be arranged between the ADB and the Government concerned:

- (a) to determine the areas which cross flows of information would be necessary or desirable and those subjects or issues in which the results of analysis undertaken under one survey would be useful for the other; and
- (b) to determine the areas in which the common data/information exist with a view to making satisfactory arrangements for such data to be collected and processed under the auspices of one of the surveys for the benefit of both the RTS as well as the national transport survey concerned.

"In respect of national transport surveys prior to or in the early part of the execution of the RTS, the Committee agreed to propose to participating Governments that all recommendations, supporting data and back-up documentation of such national transport surveys should be made available expeditiously to the ADB and the consultants for the RTS. This would enable the executors of the RTS to determine whether additional investigations would be necessary to complete a comprehensive programme for the region; whether there are any grounds for revising particular recommendations generated by the national survey; and whether additional recommendations, beyond those contained in the national survey are justified. The Committee also agreed to recommend that in cases where proposals by national transport surveys included projects with significant regional implications, it would be highly desirable if their implementation was preceded by consultations with the authorities engaged in the RTS.

"In underscoring the importance of the above recommendations, the Vice President of the ADB explained that the RTS would take into account work already done or projected to be done in national transport surveys. Overlapping had to be avoided. The RTS would focus on filling gaps in available data as required and collection of basic data in cases where national transport surveys were not planned to be undertaken shortly e.g. Brunei and Laos.

"In connection with the RTS the need for effective counterpart arrangements was noted. Where there were local

agencies responsible for national transport planning, it was desirable that the same agencies be used also for the RTS. In a number of cases, some strengthening of the national organisations might be necessary, particularly if they were to support both the national and regional surveys.

"The need for flexibility in the detailed execution of the studies for regional and national transport surveys was also noted. The Committee recognised that as work proceeded on national transport surveys, alternations would be inevitable in light of unanticipated changes in conditions. In the case of the RTS, ADB officials explained that in view of its great complexity, flexibility would have to be stressed in its execution. One of the major functions of the Steering Committee for the RTS would be to determine the necessary changes as and when the occasion arose. In other words, the Steering Committee would constitute a built-in device for flexibility at the periphery."

ANNEX II

Checklist of Changes between Present Paper and the  
Enclosure to DOC. Sec.M-22-68 Dated 31 May 1968

Apart from minor changes of language and punctuation and apart from re-numbering of paragraphs as a result of changes introduced in the present paper, the main differences between the two papers are set out in the checklist below. The underlined paragraph numbering in the Checklist refers to paragraphs in the present paper; for facility of reference, however, the relevant paragraph number in the previous paper is also given in brackets.

- (1) Para. 5 (iii) - (Original para. 4(iii)). The proportion of intra-regional total overseas trade is now given as 20% as against 10% in the earlier version, which excluded the trade between Singapore and Malaysia.
- (2) Para. 5(iv). This is a new sub-paragraph introduced mainly to provide a reference to the impact of modern technological innovations on regional transport possibilities.
- (3) Para. 8 - (Original para. 7). There are two changes:
  - (a) The last two sentences of the first sub-paragraph have been integrated into one sentence.
  - (b) A clause has been added to the last sentence of the last sub-paragraph to point out that any indications made in the course of the Survey in respect of growth potential in selected production activities would have to be further considered by the Governments of the concerned countries before follow-up studies, etc. are undertaken.
- (4) Para 15 - (Original para. 14). Items (i) and (ii) have been slightly amended to highlight the significance of transport costs to production activities, as suggested by IBRD.
- (5) Para 15 - (Original para. 14). A footnote has been added at the conclusion of the paragraph to deal with certain questions raised relating to the third part of the proposed Survey.



- (6) Para 16 - (Original para. 15). The reference, in the middle of the original paragraph to the Bank's Guidelines for the engagement of consultants has been deleted and a new paragraph 17 has been added to explain this aspect in an amplified manner, including certain pre-qualification criteria for consultants.
- (7) Para 19 - (Original para. 17). The concluding sentence of the original paragraph has been amended to reflect conclusions of the meeting of the Coordinating Committee sessions at Bangkok on 15th and 16th May 1968. Consequential additions have been made to Annex I.
- (8) Para. 20 - (Original para. 18). The cost in terms of foreign exchange is indicated as about \$2.5 million. A last sentence has been added indicating the decision of the Coordinating Committee relating to the provision of local services by Southeast Asian Countries.
- (9) Paragraphs 21, 22, and 23 - (Original para. 19) The present stage of the sources of financing has been presented in these paragraphs taking into account developments since the earlier paper.
- (10) Para. 24 - (Original paragraphs 21 and 22). The original paragraphs related to a stage when the comments of countries with aid-giving agencies were to be sought. These have been received and to the extent feasible, incorporated in the revised paper. The comments of the Coordinating Committee, as stated in the record of its second meeting, have been incorporated as an addition to Annex I. In light of these changes and in view of the fact that the paper is now being submitted to the Board for decision, the new para. 24 contains a recommendation to the Board on the undertaking of the Regional Transport Survey and lists the action that could be commenced if such approval is forthcoming.

/new

PART FOUR

Members of the Co-ordinating Committee, the ADB  
Transport Adviser, Representatives of the US  
Government, the Interim Secretariat and Conference  
Staff

I. Members of the Co-ordinating Committee

<u>Country</u>	<u>Name</u>	<u>Designation</u>
1. Brunei	Mr. Abdul Aziz Umar	Administrative Officer, State Secretariat, Brunei Town.
2. Indonesia	Mr. Soehono Soemobaskoro	Chief, Bureau of Planning and Development, Department of Communications, Djakarta.
3. Laos	Mr. Somphavan Inthavong	Director of Roads and Bridges, Ministry of Public Works and Transportation, Vientiane.
4. Malaysia	a) Y.M. Raja Azam bin Raja Kamarulzaman	Secretary, Ministry of Transport.
	b) Mr. Abdul Aziz bin Zakaria	Secretary, Ministry of Works, Posts and Telecommunications.
	c) Mr. Ismail Ambia	Chief, Economic and Regional Co-operation Division, Ministry of Foreign Affairs.
	d) Mr. Inder Singh Khosa	Assistant Secretary, Ministry of Works, Posts and Telecommunications.
	e) Mr. Wan Yusoff bin Wan Ismail	Assistant Secretary, Economic Planning Unit, Prime Minister's Department.
5. Philippines	Mr. Alfred Pio Deroda	Deputy Director for Investments, Presidential Economic Staff, Office of the President, Manila.
6. Singapore	a) Mr. Wong Keng Sam	Permanent Secretary, Ministry of Communications, Singapore.
	b) Mr. Lian Hock Lian	Assistant Secretary, Ministry of Communications, Singapore.
7. Thailand	Dr. Sirilak Chandrangsu	Under Secretary of State, Ministry of Communications, Bangkok.

<u>Country</u>	<u>Name</u>	<u>Designation</u>
8. Republic of Vietnam	a) Mr. Bui Van Lee	Deputy Minister of Public Works and Communications, Saigon
	b) Mr. Bui Nhu Tiep	Deputy Director-General of Highways, Saigon.

II. Delegates attending Meeting

on Special Items of the Agenda

9. Asian Development Bank	Mr. K.L. Luthra	Transportation Adviser
10. United States of America	a) Mr. Lee St. Lawrence	Counsellor of Embassy for Regional Affairs, American Embassy, Bangkok.
	b) Mr. Robert Halligan	Regional Affairs Officer, American Embassy, Bangkok.
	c) Mr. Ronald H. Rogers	Regional Affairs Officer, American Embassy, Kuala Lumpur.

III. Interim Secretariat

Secretary	Mr. C.L. Robless	Under Secretary, Economic Planning Unit, Prime Minister's Department, Malaysia.
Assistant Secretary	Mr. Fhang Kon Hee	Principal Assistant Secretary, Economic Planning Unit, Prime Minister's Department, Malaysia.
1 Consultant	Mr. Harvey Klemmer	Transportation Consultant, Washington, D.C.

IV. Conference Staff

Rapporteur	Mr. K. Pathmanaban	Principal Assistant Secretary, Economic Planning Unit, Prime Minister's Department, Malaysia.
Liaison Officials	Mr. Wan Awang	Ministry of Foreign Affairs, Malaysia.
	Mr. T. Kandasamy	Economic Planning Unit, Prime Minister's Department, Malaysia.
	Mr. Koay Joo Hye	Economic Planning Unit, Prime Minister's Department, Malaysia.
	Mr. Yeoh Teik Lee	Economic Planning Unit, Prime Minister's Department, Malaysia.

Secretariat

a) Stenographers

Miss Tan Sook Ngoh  
Miss Juliana Moses  
Mrs. Betty Chuah  
Miss Zubaidah Bee  
Mr. Chan Kai Loke

b) Clerks

Mr. Mohd. Yusoff  
Mr. A Govindasamy  
Miss K. Pakea Lakshumi

c) Messengers

Mr. Hamzah bin Abdul Rahman

Mr. Abdul Razak bin Abdul Wahab